VOL 6 No 11 NOVEMBER 1976

SURVEY of Current Affairs

Government and Administration

Parliament 419

External Affairs and Defence

European Community 421
The Transkei 424
Shorter Notes 424

Economic and Scientific Affairs

The Economy 426
International Monetary Fund 428
The World Bank Group 432
Securities Market Supervision 434
Trends in Invisible Trade 434
British Construction Overseas 437
Average Earnings in 1976 441
Offshore Oil and Gas 442
Clean Air 443

Social and Cultural Affairs

Education Policy 444

Documentation

446

Published for British Information Services by
Her Majesty's Stationery Office, London
Annual subscription including postage and index £7·72

The *Survey of Current Affairs* is produced for British Information Services overseas, but in response to requests has also been made available in Britain. Subscription and distribution inquiries should be addressed to Her Majesty's Stationery Office, P.O. Box 569, London SE1 9NH, and editorial inquiries to Reference Division, Central Office of Information, Hercules Road, Westminster Bridge Road, London SE1 7DU. Although the material is Crown Copyright, it may be reproduced without special permission.
Other documents produced by Reference Division if not on sale through Her Majesty's Stationery Office, may be obtained direct from Reference Division on payment of a small charge.

GOVERNMENT AND ADMINISTRATION

Parliament

BY-ELECTIONS

The Conservative Party gained two seats in three by-elections held on 4 November. The Conservatives took first place in Workington and Walsall, North, while in Newcastle, Central the Labour Party retained the seat with a reduced majority.

The results of the elections were as follows:

Newcastle, Central

Mr Harry Cowans (Labour)	4,692
Mr Andrew Ellis (Liberal)	2,854
Mr Richard Sowler (Conservative)	1,945
Mr D. Hayes (Socialist Worker)	184
Mr Bruce Anderson-Lynes (National Front)	181

Walsall, North

Mr Roger Hodgson (Conservative)	16,212
Mr David Winnick (Labour)	11,833
Mr Sidney Wright (Independent)	4,374
Mr Joseph Parker (National Front)	2,724
Mrs Francis Oborski (Liberal)	1,212
Mr James McCallum (Socialist Worker)	574
Mrs Marian Powell (National Party)	258
Mr Jonathan Tyler (Ecology Party)	181
Mr William Boaks (Air, Road, Public Safety, White Resident Party)	30

Workington

Mr Richard Page (Conservative)	19,396
Mr Dale Campbell Savours (Labour)	18,331
Mr Bernard Wates (Liberal)	2,480

The percentage of the electorate voting in the by-elections was 41 per cent, 51·5 per cent, and 74·2 per cent respectively.

The by-election in Newcastle, Central was caused by the resignation of Mr Edward Short, former deputy leader of the Labour Party. The contest in Walsall, North was brought about by the resignation of Mr John Stonehouse following his imprisonment for fraud and theft. Mr Stonehouse was elected as a Labour member but later became a member of the English National Party. The Workington by-election was caused by the elevation to the peerage of Mr Frederick Peart, now, as Lord Peart, Lord Privy Seal and Leader of the House of Lords.

Following the by-elections, the representation of parties in the House of Commons is as follows:

Labour	312
Conservative	278
Liberal	13
Scottish National	11
United Ulster Unionists	10
Plaid Cymru (Welsh National)	3
Scottish Labour	2
Social Democratic and Labour (Northern Ireland)	1
Independent (Northern Ireland)	1
TOTAL	631

In addition, there are the Speaker of the House of Commons and his three deputies (the Chairman of Ways and Means and the first and second Deputy Chairmen of Ways and Means). They do not vote in the House of Commons except in their official capacities in the event of a tie.

Although the Labour Party is the largest single party in the House of Commons, with a majority of 34 over the Conservatives, it is in a minority of seven as against all other parties combined. However, the Government has received general support from the Northern Ireland Social Democratic and Labour member, the Northern Ireland Independent, and the two Scottish Labour members, and, on many issues, from members of other minority parties.

SELECT COMMITTEE ON MEMBERS' CONDUCT

A House of Commons select committee was established on 1 November to investigate the conduct of members of Parliament in connection with the activities of Mr John Poulson, an architect imprisoned in February 1974 for various offences under the Prevention of Corruption Acts.

Introducing the motion setting up the select committee (*Hansard*, 1.11.76, cols 971-9), the Prime Minister, Mr James Callaghan, agreed there was a need for a thorough investigation into allegations made against MPs acting in their parliamentary capacity in connection with the Poulson affair. 'The good name of individual members has been questioned', he said, 'and that involves the standing of Parliament itself. Honourable members individually and collectively will be vindicated only by a thorough investigation in which justice is done to all those concerned.'

Members of Parliament acting in their capacity as such are not subject to criminal law relating to corrupt practices. The House of Commons is responsible for regulating the conduct of its members, and can expel or even imprison a member whom it considers to have committed a contempt of the House. The power of imprisonment has not been used this century.

The select committee, consisting of ten members from four of the parties represented in the House of Commons, will have power to call for witnesses and papers, and to request evidence from the Attorney General. It will not sit in public, but on completion of its work all oral and documentary evidence relevant to the inquiry will be published.

The committee will not be concerned with the more general issue of whether corruption and bribery of a member of Parliament acting in his parliamentary capacity should be brought within the scope of the criminal law, the consideration of which was recommended in the report of the Royal Commission on Standards of Conduct in Public Life (see pp 310-12). The Government is still assessing that report's recommendations.

GOVERNMENT APPOINTMENT

Mr Joseph Ashton, MP, has been appointed an assistant Government whip. He replaces Mr John Ellis, MP.

EXTERNAL AFFAIRS AND DEFENCE

European Community

The fisheries question dominated the meeting of the Council of Ministers of the European Community on 18 and 19 October, and foreign ministers met again on 30 October in order to resolve the outstanding issues. The ministers agreed on the extension of their countries' fishing limits to 200 miles from 1 January 1977, and on the outline mandates for negotiation of fisheries agreements with non-member countries.

The energy, research, finance and agriculture ministers also met in October; some details of the Joint European Torus project were settled at the Research Council meeting, and agriculture ministers discussed problems associated with the imbalance in the milk market, among other questions. A number of trade and aid agreements with the less-developed countries were also made during the month.

Before the Council's 18-19 October meeting, the foreign ministers met briefly to discuss matters falling within the framework of European political co-operation, and support was given to the British Government's policy on Rhodesia, and in particular, to the decision to convene a conference on this subject (see pp 386-7). At the United Nations, a statement about policy towards South Africa was made on behalf of the Community.

FISHERIES

200-Mile Limits and External Negotiations

Foreign ministers of the Community member states have agreed that their countries should extend their fishing limits to 200 miles as from 1 January 1977 (see p 403). Announcing this in the House of Commons on 2 November (*Hansard*, cols 1206-18), Dr David Owen, Minister of State at the Foreign and Commonwealth Office, added that at their meeting in The Hague on 30 October the ministers had also reached agreement on the outline mandates which would enable the Commission to open negotiations with non-member countries on framework agreements which would govern future Community fishing in those countries' waters and those countries' fishing in the waters of member states.

British ministers had been urging the Community for some time to adopt 200-mile limits, and to conclude agreements, especially with those countries which had adopted, or intended to adopt, such limits (see pp 315 and 403). Both these moves are designed to mitigate the likely damaging effect on the Community's fishing industry of the extension of fishing limits by other countries; the damage would result from the increased fishing effort off the coasts of Community states by non-Community fishermen excluded from their traditional fishing grounds, and from the exclusion of Community vessels from their traditional grounds.

Stressing the particular urgency of negotiations with Iceland [the Anglo-Icelandic fisheries agreement expires on 30 November; see pp 250-1], Dr Owen said that the Commission would start these negotiations very shortly.

Common Fisheries Policy

The Community's Council of Ministers had previously discussed the problem of fisheries at its meeting on 18 and 19 October. Reporting on the meeting to the House of Commons (*Hansard*, 20.10.76, cols 1455-63), the Foreign and Commonwealth Secretary, Mr Anthony Crosland, stated: 'There was very strong support in the Council for a collective extension of limits on 1 January 1977 and for the early opening of negotiations with third countries – above all, with Iceland. It was, however, argued as against this [by the Irish representative] that final decisions should not be taken until the Council had dealt with certain aspects of the internal Community fisheries regime, especially with the width of the exclusive coastal belt, on which there are, of course, conflicting views.' Later in the House of Commons proceedings Mr Crosland added: 'Regarding coastal belts and priority for those with coastal fishing interests, we are completely at one with the Irish Government . . . Where we have a differing interest from the Irish is that, unlike them, we have not only an inshore but a distant water fishing fleet. That makes it vital for us to get a 200-mile limit and to start negotiations with third countries.'

The problems of the internal Community fisheries regime were dealt with at the meeting on 30 October. Dr Owen reported in his statement:

'On the internal aspects of the Community's fishery policy the details will have to be dealt with at a later stage. The Council did, however, agree that in applying the common fisheries policy account should be taken of the vital needs of the fishing communities in regions particularly dependent on fishing, including, *inter alia*, the northern parts of the United Kingdom.'

At the meeting in The Hague the Foreign and

Commonwealth Secretary had made clear that the British Government had in no way modified its view on the width and scope of the coastal arrangements which it was seeking (see pp 251-2 and 403).

AGRICULTURE

The European Community's agriculture ministers met as Council of Ministers in Luxembourg on 25 October to discuss a general set of proposals submitted by the Commission in the context of its work on the 1977-80 action programme for the progressive achievement of a balance in the milk market. Agriculture and finance ministers met jointly on 26 October to discuss monetary aspects of the common agricultural policy.

Milk Products

The Commission's proposals for achieving a balance in the milk market (see p 170) include a suggestion for a 'co-responsibility' levy on milk producers to be paid on all milk sold for treating and processing; a scheme of payments to producers who stop selling milk and milk products, half the cost of which would be met by FEOGA (the Community's Agricultural Fund); a 10 per cent levy on marine and vegetable oils to reduce their competitive advantage over milk; a ban on the use of non-milk fats or protein in milk products; a three-year ban on all national and Community aid to investment in milk production, processing and marketing; a Community subsidy to reduce the price of milk in schools; and subsidies for slaughtering cattle in order to speed up the eradication of brucellosis, tuberculosis and bovine leucosis.

During the meeting, the Minister of Agriculture, Fisheries and Food, Mr John Silkin, described some of these proposals as irrelevant since he thought that the best way of dealing with the problem of excessive milk production within the Community was through a firm prices policy which would make production less profitable. If this was not an acceptable proposition, Mr Silkin said that he was prepared to agree to the Commission's suggestion for a co-responsibility levy on milk producers, the proceeds of which would be used for expanding milk outlets, such as selling milk at reduced prices to schools, subsidising its supply to the developing nations, supporting product development and market research projects, or subsidising the use of more liquid skimmed milk for animal feed.

He also accepted the principle, but not the detail, of the proposal for paying grants to dairy farmers for not marketing milk, a scheme which would encourage milk producers to convert to beef or sheep production. The British minister warned, however, that there was a danger of transferring the imbalance in the milk sector into the beef sector. He pressed for a more modest arrangement confined to the smallest dairy farmer who would not be able to operate profitably under a strict milk price policy. Such a scheme, he thought, would offer smaller farmers an opportunity to withdraw from the dairy sector altogether.

During the Council meeting, and in a later written answer in the House of Commons (*Hansard*, 27.10.76, written answers, cols 270-71), Mr Silkin said that he was totally opposed to the proposed tax on vegetable and marine oils, and the proposed wide-ranging ban on investment aid in the milk sector. He also informed the House that the Commission had withdrawn its proposal for an extension of the scheme for the compulsory incorporation of skimmed milk powder in animal feed beyond 31 October 1976 (see p 170), and that the Council had raised no objection to the recently announced increase in the British guarantee price for milk (see p 402).

The Green Pound

The question of the devaluation of the green pound was again raised at this Council meeting, but Mr Silkin continued to oppose the alteration of its value[1] (see p 402). In his written answer Mr Silkin said that he and Mr Joel Barnett, the Chief Secretary to the Treasury, had 'made clear the importance of our counter-inflation programme and stressed that monetary compensatory amounts [mca's see p 402] benefited not only United Kingdom consumers but also other member states by maintaining consumption and helping in the disposal of the Community's agricultural production.' The Council of Ministers agreed that the representative rate for the Danish krone should be devalued by 4 per cent with effect from 28 October.

Pigmeat

Mr Silkin also informed MPs of an intended change in the method of calculating mca's for pigmeat, to take effect from 8 November. This change would lead to an 8 per cent reduction in the amount of subsidy paid to exporters of pigmeat into Britain, which would give added encouragement to producers in the home market. Mr Silkin described this as 'helpful to United Kingdom processors of pigmeat', but later, at the inaugural luncheon of the Bacon and Meat Manufacturers' Association on 2 November, he added that he would continue to press for a larger reduction in mca's, in order to ensure Britain a viable home industry.

ENERGY POLICY

Community energy ministers met in Luxembourg on 19 October. The ministers reaffirmed that the principal objective of the Community's energy policy was to reduce dependence on energy imports. As energy consumption based on imports is rising, the Commission believes that the situation warrants more concerted and decisive action from member states. In the light of this, the Energy Council will meet again in December for further discussion.

During the meeting Mr Anthony Wedgwood Benn, Secretary of State for Energy, raised again the question of a minimum safeguard price for oil (see p 173), and emphasised that such a price was

[1] On 21 October the discrepancy between the green pound and £ sterling was 38·8 per cent (*Hansard* written answers, col 530).

essential to Britain, not only to protect investment in the North Sea but also to safeguard coal and nuclear investment programmes.

The Joint Research Centre

At a meeting of the Community's Research Council on 21 October, examination was made of the Commission's proposal relating to the Multiannual Research Programme of the Joint Research Centre at Ispra (Italy), for 1976-80, and the suggested inclusion of the Joint European Torus (JET) project in the five-year fusion programme (see p 317).

Some details of the JET project were settled at this meeting, such as its financing (which is to be 80 per cent by the Community, 10 per cent by the associations[1] and 10 per cent by the host country), its legal status, and certain manning questions.

The progress made on these items showed, it was thought by the Council, the resolve of all delegations to proceed with the project, and enabled the President of the Council to conclude that there existed a sound basis for attaining agreement on all other aspects of this project at the next meeting of the research ministers.

Investment in Coal

The European Commission has announced its approval of a loan of £27·5 million to the National Coal Board. The loan, which is made under Article 54 of the Treaty establishing the European Coal and Steel Community, will help to finance seven investment projects to be carried out by the board. These projects are designed to assist the collieries concerned in maintaining the existing coal extraction potential of some 6·4 million tonnes a year, and to increase extraction potential by over 1·5 million tonnes a year to offset closures elsewhere.

The Community's objective in financing the projects is to ensure a stabilisation of the output of coal suitable for electricity generation. It is intended that collieries which are to benefit from the investment should dispatch most of their output to power stations.

EXTERNAL RELATIONS

Bangladesh

A Commercial Co-operation Agreement between the European Economic Community (EEC) and the People's Republic of Bangladesh was signed in Luxembourg on 19 October. This agreement confirms the Community's commitment to expanding trade relations with the independent developing Commonwealth countries of Asia, as outlined in the Declaration of Intent annexed to the Treaty of Accession. It has been decided to grant both parties most favoured nation status in trade relations, and to promote the development and diversification of their mutual trade to the highest possible level. The agreement has been concluded for a five-year period and is renewable annually.

Egypt

On 15 October the EEC and Egypt initialled a new trade and aid agreement. The agreement provides for financial assistance of 170 million units of account (mua), economic and technical co-operation, as well as trade benefits. It is expected that similar agreements will soon be concluded with Jordan and Syria.

South Africa

On 28 October, the Netherlands'[1] permanent representative to the United Nations General Assembly made a statement on behalf of the European Community about its policy towards South Africa. The Community's statement described the system of apartheid as 'degrading', and 'a daily insult to millions of people'. They reaffirmed their total rejection of that policy since it violated the principles of freedom and democracy for which the Community stands. The recent events in Soweto were seen by the Community as 'a popular protest against apartheid'.

The statement also went on to 'condemn and reject the concept of totally separate communities for different races', and said the 'real objective of the Homelands or Bantustans is to perpetuate the system of apartheid'. In reference to this, the Netherlands' representative reminded the General Assembly that the countries of the European Community do not intend to recognise the Transkei (see p 424).

In a reference to the white community in South Africa, the statement said: 'our countries cannot support language suggesting that the white population in South Africa merely be regarded as colonial settlers who have no right to stay there. All the inhabitants, whatever their race or colour, should have an equal right to be in South Africa and to participate on an equal footing in the civil and political, economic and cultural institutions of the country.'

In conclusion the Community's statement said that the nine Governments had 'decided that it is their duty and responsibility to keep open a channel of communication and to continue to make our views known to the Government and people of South Africa so that the policy of apartheid may finally be brought to an end', and it called on the world community to give all the help and encouragement it could to those forces in South Africa which wished for peaceful change.

Yugoslavia

At a Council of Ministers meeting on 18 October, foreign ministers agreed that the Community should examine ways of strengthening its economic and political relations with Yugoslavia. As a first step, the European Commission has been authorised to hold exploratory talks with the authorities in Belgrade on the possible enlargement of the existing non-preferential commercial co-operation agreement between the EEC and Yugoslavia. The ministers also decided to use the Community

[1] This refers to the laboratories associated with the project, some of which are not situated in Community countries.

[1] The Netherlands at present holds the presidency of the Council of Ministers.

budget to cover the guarantee of loans to be granted by the European Investment Bank to Yugoslavia.

Assistance to Non-associated Developing Countries

In the context of financial and technical aid to the developing countries not associated with the Community, the Council of Ministers agreed in principle to the commitment in 1976 of the 20 mua appropriation entered in this year's general budget, on the understanding that the exact allocation of this sum would be considered at the Council meeting on development co-operation scheduled for 8 November.

The Council also agreed on a provision of 30 mua to be entered into the draft general budget for 1977, but it was decided that this appropriation would not be released to the non-associated countries until the Council had taken a formal decision on its allocation.

The Transkei

Britain, other members of the European Community and the United Nations General Assembly have not recognised the purported 'independence' of the Transkei, a tribal 'Homeland' for the Xhosa-speaking people in South Africa, which was announced on 26 October. The British Foreign and Commonwealth Office stated on 28 September that it was 'clear that the Transkei [did] not fulfil our well-established legal criteria as an independent state'. These were, a spokesman added, not only that a state 'should have, with the reasonable prospect of permanency, a clearly defined territory and an effective government enjoying the obedience of the mass of the population' but also that the British Government should be 'satisfied about the total independence of the territory and its ability to conduct its foreign and defence policy'. On 28 October, Mr Edward Rowlands, Minister of State at the Foreign and Commonwealth Office, told the House of Commons (*Hansard*, col 379) that, in Britain's view, the Transkei was 'not fully independent internally or externally'.

The decision by the members of the European Community not to recognise the Transkei was announced at an informal meeting of the Community's foreign ministers on 11 and 12 September (see p 355), and was repeated on behalf of the Community's members at the UN General Assembly on 28 September by the Foreign Minister of the Netherlands, Mr Max van der Stoel (see p 423). On 26 October the General Assembly adopted, by 134 votes to none against (with the United States abstaining and South Africa not present), a resolution condemning the 'independence' of Transkei as being invalid and calling on all Governments to deny it any form of recognition and to refrain from having any dealings with it or with other Bantustans. The resolution also asked all countries to prohibit individuals, corporations and other institutions under their jurisdiction from having such dealings. It also strongly condemned the establishment of 'Bantustans' as designed to consolidate the policies of apartheid. In explaining its abstention the United States representative said that his country had no intention of having any offical dealings with the Transkei, but questioned the imposition of a 'type of sanction' on individual relationships.

On 25 October the UN Secretary-General, Dr Kurt Waldheim, stated that 'the South African Government must understand that the world community will never accept the establishment of the Transkei or any other so-called Bantustan as separate political entities. The only viable solution is to turn away from the policy of apartheid and allow all the people of South Africa to exercise fully their basic human rights'. In its statement of 28 September, the British Government had also declared that it was opposed to the Homelands policy since it constituted an essential element in the policy of apartheid; and while it sympathised with the aspirations of the inhabitants of the Homelands to improve their lot, it regarded the policy itself as morally objectionable and ultimately unworkable.

It is the expressed intention of the Government of South Africa that every black South African should eventually become a citizen of the Homeland which is appropriate to his language and tribal origins. He would then cease to be a citizen of the Republic. Large numbers of black South Africans will continue to work in South Africa, but they will have no rights of citizenship and their status will be equivalent to that of other migrant workers from outside South Africa.

Shorter Notes

US PRESIDENTIAL ELECTION

Mr Jimmy Carter (Democrat) will become President of the United States on 20 January, when he takes over from President Gerald Ford (Republican). In the election which took place on 2 November, Mr Carter won approximately 51 per cent of the popular vote, against approximately 48 per cent for Mr Ford. The results give Mr Carter 297 votes, against Mr Ford's 241, in the electoral college which formally elects the President.

PEOPLE'S REPUBLIC OF CHINA

Mao Tse-tung, Chairman of the Chinese Communist Party, died in Peking on 9 September. Mr Hua Kuo-feng, Prime Minister and First Vice-Chairman since April, was officially confirmed as Chairman of the Chinese Communist Party on 22 October.

This followed a power struggle in which the arrest of four radical leaders – Chiang Ch'ing, widow of Mao, Chang Ch'un ch'aio, a Vice-Premier, Wang Hung-Wen, a Vice-Chairman of the Communist Party, and Yao Wen yuan, a member of the Politbureau – was reported to have taken place.

Tributes to Mao Tse-tung were paid by political leaders in Britain and throughout the world. In a message to the Chinese leaders, the Prime Minister, Mr James Callaghan, remarked that Chairman Mao had 'devoted himself wholeheartedly to his country and his people,' and that 'the resurgence of China' was 'a living memorial to his outstanding leadership during more than half a century'. The influence of Mao, concluded Mr Callaghan, 'extended far beyond the boundaries of China', and the late Chairman would 'undoubtedly be remembered as a great statesman of world renown'.

ECONOMIC AND SCIENTIFIC AFFAIRS

The Economy

The Chancellor of the Exchequer, Mr Denis Healey, addressed the Lord Mayor's Banquet for Bankers and Merchants of the City of London on 21 October. He spoke about management of the economy and the relative merits of gradualism and fundamental changes of direction.

Mr Healey first considered the question as to whether the slowing down of the economic recovery experienced by many countries in recent months was simply a temporary interruption in the upswing, as occurred at the same point in the last trade cycle in the summer of 1972, or whether it was something more permanent. So far as Britain was concerned, he believed that those who feared a more permanent slowdown and who insisted on the need for a fundamental change of direction, 'whether towards the extreme of a siege economy or towards the other extreme of a severe deflation' had failed to think through the consequences of what they recommended. He believed that the demand for a fundamental change arose in large part from a failure to recognise the inevitable time lag which must intervene between a policy decision and its effect on the economy.

Objective and Conditions

The Chancellor said that the economic objective which the Government had set itself must be the speediest possible return to full employment – to the full use of all the resources at Britain's disposal. Full employment could not be achieved and sustained, however, until inflation had been overcome. Mr Healey said that one of the major benefits derived from the troubles of recent years was that no-one in Britain now seriously disagreed with the proposition that inflation was the greatest enemy of full employment.

The return to full employment, he continued, must also be accompanied by a return to equilibrium in the balance of payments. For this reason Britain could not afford to base its economic growth on an increase in domestic consumption, but must base it on exports, import substitution and investment. 'Until we have eliminated the deficit on our balance of payments we can afford no increase in public or private spending. On the contrary. Living standards will have to suffer a further fall before we are paying our way in the world once again.'

The Chancellor recalled that just over two years ago many observers, both at home and abroad, had serious doubts about whether it would be possible for any British Government to carry through the fundamental readjustment needed without shattering the political and institutional framework which the country had developed over the centuries. There had been a real fear that Britain might become ungovernable.

The Government had never taken that view but had believed that Britain could achieve the necessary readjustment only if the process were a gradual one, and only if it were based on an even closer co-operation between the Government and both sides of industry.

Achievements

Mr Healey pointed out that the social contract with the trade union movement had produced a pay policy which had been an unprecedented success. 'Many of our friends abroad are now attempting to develop such an agreement for themselves.'

Over 1·5 million people had already made settlements under the second round of the pay policy (see pp 246-7) which were fully within the guidelines. Moreover, the annual Trades Union Congress (TUC), which met from 6 to 10 September, had agreed by an overwhelming majority that when the current round was over it must seek a further policy for pay which would continue to bring inflation down while allowing more flexibility in bargaining.

Another benefit derived from the social contract, the Chancellor said, was the dramatic improvement in industrial relations. Britain still had problems, above all in the car industry, but over the economy as a whole 1976 had seen the lowest number of stoppages for 20 years. This achievement was not, as some had argued, an automatic result of high unemployment. Far from it. During the peak year of unemployment in the last trade cycle, British industry had been losing eight days' work through industrial disputes for each single day it was losing in 1976. The benefits of this change were already evident in the improvement in delivery of exports which Britain's customers abroad had noted.

The improvement in industrial relations was also of critical importance to the attempt to improve the performance of manufacturing industry so as to get the soundly-based industrial expansion on which a rapid return to full employment depended. The Confederation of British Industry (CBI) had recently reaffirmed its support for the industrial strategy and for the improvement in performance at which it aimed. It recognised that this improve-

ment in performance depended ultimately on co-operation between management and workforce at the level of the individual plant. Mr Healey said that he was 'immensely encouraged by the extent to which we have already succeeded in replacing the arm's length relationship between Government and industry, which has so often held Britain back in the past, with a closer and more constructive one'.

He noted that in agriculture, which the CBI had rightly described as one of the most successful sectors of the economy, there had been this close relationship since 1945. There was now a need to develop a similar relationship with the rest of British industry.

The Government welcomed and was now studying the practical suggestions, made in the joint TUC/CBI memorandum on imports and other problems of international trade, for measures to improve Britain's trading performance and to deal with unfair competition. The Government had already achieved a good deal in this field, he said. It had negotiated voluntary restraints on low-cost imports which threatened particular sectors of British industry and, where necessary, had imposed temporary selective import controls. The Government would continue to watch for cases where further action was needed and would now benefit from closer contact with both sides of industry in this task.

Speaking about co-operation between the City and the Government, the Chancellor said that one example of what was possible was the work being done for the National Economic Development Council by the committee under Sir Eric Roll on the sources of finance for investment. He hoped to develop further a less formal means of contact between the Government and the City in the coming months.

The Need for Gradualism

'No-one who has studied the history of our economy since the war will find it easy to argue that the massive readjustment which is required can be carried through except by close co-operation between the Government, both sides of industry, and those who help to provide industry and Government alike with their finances.' However, this type of co-operation could not have been achieved if the Government had sought to solve all Britain's economic problems at once. 'Gradualism is the price exacted by democracy for any major change', he said. Furthermore, the Chancellor continued, the fundamental changes which were sometimes called for could not be produced at a stroke. There was an economic as well as a political reason for this. A long time lag must often intervene between a policy decision in Whitehall and its effects on the real economy outside. There was, for example, a lag of up to a year between an increase in output and the fall in unemployment it produced. The Government had resisted the temptation to engineer a temporary consumer boom, 'despite formidable political pressure to do so'. If it had not done so, Mr Healey said, it could not have hoped for the 10 per cent increase in export volumes which had been achieved over the past 12 months.

There was an even longer time lag between a fall in the exchange rate and the improvement in the balance of payments which ultimately results, Mr Healey continued. All experience suggested, he said, that the depreciation earlier in the year would generate a large increase in export demand and output within a year or so – at least as soon as any scheme of import controls could have its full effect. The Government would resist introducing such controls because, as Mr Healey said, he could not 'believe it would make sense to risk retaliation against the exports on whose growth our most dynamic and competitive industries depend, in order to protect our less efficient industries against fair competition from abroad'.

A further time lag was that which occurred between decisions to reduce public expenditure or increase taxation and the effect of those decisions on output, employment and the financial balances. That, for example, was why the Government had had to take in July (see pp 325-8) the decision to reduce public expenditure in the financial year beginning in April 1977. It was also the reason why, more recently, faced with the urgent need for action to reduce the money supply, there had been no possible response which would have acted in time except, as earlier Governments had found in similar situations, a squeeze on credit (see p 391).

National Consensus

Commenting on the situation he had had to deal with the Chancellor noted that the domestic economic problems had been compounded by the increase in oil and other import prices which cut Britain's real income by some 5 per cent in 1974. He believed the Government had been right to base its policy of readjustment on restoring co-operation with the productive forces in the economy. 'We would not have made the real progress which we have made since then if we had not given priority to the creation of a national consensus or if we had attempted to move at a pace which could have strained that consensus beyond breaking point.'

The Government had not hesitated to make adjustments to its policy when they were needed, however difficult and painful. The Chancellor said that there must be few, if any, other countries which were planning no increase in their public expenditure over the next two years and were actually cutting it in real terms in 1977-78. The new techniques the Government had adopted for ensuring that expenditure stayed within the limits set – improved methods of monitoring expenditure and, predominantly, extensive use of cash limits (see pp 209-10) – would, Mr Healey believed, prove more effective than any that Britain had yet known. They had already had the most dramatic effect on local authority expenditure. [The Chief Secretary to the Treasury, Mr Joel Barnett, announced in the House of Commons on 2 November that in view of the present high level of the public sector borrowing requirement, the Government did not intend to raise the cash limits set for 1976-77. Only minor exceptions to this rule would be made, and then only after first applying every possible means of absorbing extra expenditure. *Hansard*, written answers, col 561.]

Mr Healey said that the measures taken recently

(see p 391) to validate the target for the increase in money supply set in July should testify that the Government was ready to make whatever adjustments were necessary to ensure steady and sustained progress towards the balance which it sought. But, he emphasised, the Government had sought to make these adjustments in a way which preserved the consent of those in industry on whose efforts the economy ultimately depended. He believed that this was the correct policy and saw no prospect of success in either a 'siege economy' or 'massive and immediate' deflation. The latter alternative was not possible without cutting social benefits and subsidies and making large increases in taxation. It was not possible to reduce expenditure on goods and services sufficiently in so short a time. These cuts could not be achieved without a substantial fall in the standard of living, a reduction in national output and, ultimately, large increases in unemployment.

The Government might still have to increase the speed with which it moved towards its goal, the Chancellor concluded, but it could not hope to make the difficult adjustments which this might entail unless it could maintain the support and understanding of those who actually produced Britain's wealth. 'If we lose their consent, the hard but necessary decisions which we may yet face will not produce the results required.' Mr Healey saw this insistence on moving at a pace which did not jeopardise consent as 'the hallmark of the social democrat'.

International Monetary Fund

The thirty-first joint annual meeting of the governors of the International Monetary Fund (IMF) and World Bank Group (see p 432) was held in Manila from 4 to 8 October.[1] According to the 18 October issue of *IMF Survey* primary attention in the annual discussions was focused on the task of shaping the present upturn in the world economy so that it marked the start of a new period of stable economic growth in which both industrial and developing countries could share. In the pursuit of this common goal, participants debated what domestic economic policies would be appropriate, the co-operative efforts needed in the international sphere, and the proper roles of the fund and the World Bank. Regarding domestic economic policies, the need for a restoration of price stability was stressed repeatedly as the surest route to a durable reduction in unemployment. In international financial relationships, there was considerable agreement that the time had arrived for a shift in emphasis from the financing of the very large payments deficits that emerged in the 1974-75 period of economic crisis to the process of balance of payments adjustment – the reduction of payments deficits and surpluses. With respect to the fund, many countries agreed on the need to hasten the process of acceptance of the overall increase of one-third in fund quotas and the proposed second amendment of the Articles of Agreement (see p 71).

[1] See p 393 for a summary of Britain's statement at the meeting.

Annual Report

In his address to the meeting the managing director of the IMF, Mr Johannes Witteveen, presented the fund's thirty-first annual report.[1] Against the background of the world economic recession and the start of the recovery he analysed the adjustment problems which the industrialised and developing countries still faced.

World Economy

Mr Witteveen said that the annual report traced a number of encouraging developments since the last annual meeting (see pp 398-400, 1975). The world economy was completing its first year of recovery from the most severe recession in four decades. Production in the industrial countries had, in general, expanded at a satisfactory pace, and rates of inflation had been brought down from the very high levels of 1974 and 1975. The impact of these improvements in the industrial countries was being felt in primary producing countries throughout the world. One disturbing aspect of the present recovery, however, was that rates of price increases were still very high. Among industrial countries, inflation was running at an annual rate of 7 per cent in 1976. The continuing high rate of unemployment was equally a case for serious concern. Although this rate might be expected to move down as recovery proceeded, unemployment in the industrial countries seemed likely to remain for some time at a high level by post-1945 standards.

National authorities were now confronted with the disturbing prospect that policies to expand production and reduce unemployment might at the same time aggravate the problem of inflation. Assessment of this risk was clouded by uncertainties as to both the degree of existing spare capacity and the response of inflation to the speed with which capacity was absorbed. Although the 1974-75 international recession had been severe, the actual extent of available economic slack might be considerably less than would be indicated by unemployment statistics and other conventional measures of the utilisation of resources. There was a danger, therefore, that the sense of repugnance felt for the social injustice of unemployment might engender political pressures that would work for a more rapid absorption of spare capacity than could be achieved without producing a renewed acceleration of price increases. Mr Witteveen stressed that the social and economic costs of inflation, though less immediate and less obvious than those of unemployment, could prove to be even more corrosive. In present circumstances, continuation of the recovery would be threatened by policies that resulted in higher inflation. In a longer-term perspective inflation redistributed wealth and income arbitrarily, undermined confidence, reduced investment incentives, and misallocated resources. One of the elements in this chain of consequences might be a reduction in real profit margins. The recent international recession, which had been itself a con-

[1] *IMF Annual Report of the Executive Directors for the fiscal year ended 30 April 1976*, Washington DC.

sequence of various inflationary developments, had had a particularly unfavourable impact on business profits.

Pressures on the profit position, in turn, had tended to undermine the incentive to invest and to retard the growth of economic capacity, thus creating concern over the possible emergence of supply bottlenecks as the current economic recovery became further advanced. In some countries, such difficulties might be compounded by the size of the government's claim on the national product, and a reduction in the growth of the public sector over the medium term might in these cases be a major policy requirement for the achievement of higher levels of saving and investment. For reasons such as these, the growth of output was retarded in an inflationary environment, and the objective of sustained full employment became harder and harder to achieve.

The managing director said that there was now a wide measure of agreement that it would be a mistake to base policies on the assumption of any long-run 'trade-off' between inflation and unemployment. As the annual report pointed out, he said, recent experience clearly indicated that the effects of policies aimed at stimulating growth and employment were likely to be short-lived unless the currently high rate of price inflation was brought down and inflationary expectations were greatly reduced. Abatement of inflation would not come about unless fiscal and monetary policies were able to achieve and maintain restraint over the rate of growth in aggregate demand. These policies had to be adhered to fully, and policy risks had not to be overlooked, as they often had been in the later 1960s and early 1970s, so as to extract additional output in the short term.

Restraint exercised over the expansion of demand would be more effective, and was likely to command wider support, if it was accompanied by various supplementary policy measures. Depending on the particular circumstances of countries, such measures might include anti-trust measures, action on supply bottlenecks, specific measures of relief and retraining to cushion the hardship of unemployment and help reduce its level, and incomes policies to reconcile the claims of competing groups on the national product. These measures, however, had not to be allowed to distract attention from the central need to retain control over the national budget and over the rate of monetary expansion.

If faithfully adhered to, Mr Witteveen suggested, this type of economic policy should enable the industrial countries to lay the basis for sustained economic growth and a reduction of unemployment. These countries had a responsibility, not only to their own populations, but also to the primary producing countries, whose prospects depended so much on developments in the industrial world. A policy of cautious demand expansion in the industrial countries, although creating the best possible prospects under the circumstances, might nevertheless mean a slower growth of their imports than would have been visualised a few years ago. This change might have particular impact on the non-oil-exporting developing countries and in this case measures to improve market access for their exports and to increase the flow of official development assistance would be needed. In this regard, it was gratifying, he said, that the industrial countries had increased the real volume of official development assistance during the recent international recession, thereby reversing the downward trend in previous years, and that the oil-exporting countries had sharply expanded their flows of aid. Nevertheless, the general level of assistance being provided remained very inadequate in face of the huge disparities in wealth and income among countries.

International Payments and Adjustment

Turning to the international environment more generally, Mr Witteveen said that in recent years trade and capital flows had been affected to an extraordinary degree by abnormal events and cyclical influences: a commodity boom, sharply higher energy prices, accelerated inflation, recession, and now resumption of economic expansion. These developments had taken place in the context of an international monetary system in flux. The traditional pattern of current account balances that prevailed until 1973 had changed substantially. Particularly striking were the huge increase in the surplus of the major oil-exporting countries and the roughly similar increase in the deficit of other primary producing countries. In 1974, when the surplus of the oil-exporting countries had risen steeply to some $65,000 million, the three largest industrial countries – the United States, the Federal Republic of Germany, and Japan – were embarking on resolute anti-inflation measures. The impact of these measures on their current account positions had been dramatic. Oil-related deficits in the three countries had been rapidly offset by positive changes elsewhere in the current account; indeed, the non-oil components of their current account balances showed improvements from 1973 to 1974 that totalled more than $30,000 million. Inevitably, these big shifts put strong downward pressure on the current account positions of other oil-importing countries. In particular, the combined deficit of primary producing countries had risen from $8,000 million in 1973 to $43,000 million in 1974.

The deepening and spreading of the international recession during 1975 had had further pronounced effects on current account balances, Mr Witteveen continued. The balances of industrial countries had improved as their demand for oil had declined and their exports to oil surplus countries had grown rapidly. In part because of the recession, but mainly because of rapid import expansion, the combined current account surplus of the oil-exporting countries had fallen substantially in 1975. The non-oil-exporting primary producing countries had suffered from a weakening of demand in their principal markets and a sharp deterioration in their terms of trade, and their combined deficit had increased further in 1975, to more than $50,000 million.

Now, however, the resumption of economic expansion and import growth in the industrial world was providing a new and different setting for international payments adjustment. A number of the industrial countries were running current account deficits, and in Italy and Britain recurrent weakness in the current account had been compounded earlier this year by pressures in the capital account.

In the United States, the very large current account surplus that had been realised in 1975 seemed likely to disappear in 1976 – a predominantly cyclical development tending to improve the positions of many other countries. However, according to IMF staff estimates, the traditionally large current account surplus of the Federal Republic of Germany would be maintained in 1976, while the Japanese balance would move from a small deficit in 1975 to a sizeable surplus.

With the volume of world trade expected to grow by more than 10 per cent in 1976, prospects for current account improvement were generally more favourable for non-oil-producing deficit countries than at any time since 1973, he said. It would be very important to seize this opportunity to put the pattern of world payments on a more sustainable basis, a development which would require internationally co-operative policies on the part of surplus countries, as well as effective actions by deficit countries.

Balance of payments deficits presented problems of financing and of adjustment. The emphasis that should be given to these two aspects of the problem naturally differed according to the situation. At the time of the oil price increase at the beginning of 1974, the immediate danger had been that countries would adopt measures of adjustment that would have been deflationary and self-defeating, inasmuch as it had been not possible for the oil-exporting countries to absorb, in the short run, sufficient imports to eliminate their surpluses. Therefore, the fund had supported arrangements designed to finance oil deficits for a time and had established its own oil facility for this purpose. Undoubtedly these policies had been successful in preventing external restrictions and aggravation of the international recession, he said. But the world economy was now recovering, and was moving into a situation where the main danger was no longer a deepening of recession but a resurgence of inflation. For this reason, the time had come to lay more stress on the adjustment of external positions and less emphasis on the mere financing of deficits. Additional urgency was lent to this need by the build-up of short- and medium-term debt resulting from the financing of recent years. This was beginning to affect the creditworthiness of some borrowers and to create the possibility of economic and financial difficulties. Mr Witteveen recalled that the central principle of the fund was the revolving character of its financial resources. It had never intended that these resources should be used to help perpetuate balance of payments disequilibria. They were intended to cushion the costs of adjustment to a more sustainable equilibrium.

The increased flexibility of exchange rates in recent years should help the process of adjustment, he said. Until now, exchange rate movements had compensated fairly well for differences in inflation among countries. However, beyond this, they had not contributed as much to adjustment as might have been hoped. There were several reasons for this. The oil-exporting countries wanted to diversify their economies. Understandably, they had not been prepared to accept an adjustment of their exchange rates that would render their non-oil sectors uncompetitive, and had preferred to accumulate financial assets. Other surplus countries, although not under the same compulsion to protect their competitive position, had channelled their surpluses easily and almost automatically into international capital markets. In this way, real adjustment that might involve a loss of competitiveness for domestic industry had also been avoided by those countries. At the same time, financing had been readily available to deficit countries. While capital markets had given deficit countries the means to borrow, domestic objectives had given them the incentive. The goal of stemming inflation had prompted some deficit countries to borrow rather than allow their exchange rates to change, because they feared that exchange rate depreciation would give a further twist to the spiral of domestic inflation. This fear was heightened by the knowledge that social and institutional factors, such as wage indexation, could magnify a small price stimulus into an inflationary surge. Thus, there was a temptation to leave adjustment to the future in the hope that conditions might then be more propitious.

In this process, however, the real costs of the inevitable adjustment might, in the end, be increased. Effective adjustment involved a change in the pattern of domestic and foreign demands on national output. Exchange rate depreciation could help to bring about such a change, but could not make its full contribution if it was used as a substitute for action on domestic demand. In order to make the required adjustment of current account deficits, domestic policies had to be arranged so as to restrain domestic demand and to permit a shift of resources to the external sector. At the same time the adverse consequences for domestic inflation of adjustment of the exchange rate to a level consistent with balance of payments equilibrium needed to be minimised by specific measures outside the exchange rate field.

For industrial countries in strong payments positions, adjustment required in the first place that they ensured an adequate recovery in domestic demand. However, the growth of demand had to be kept within prudent limits in order to avoid a rekindling of inflationary forces. Beyond this, adjustment would have to be brought about by increased flows of long-term capital exports and development aid and, to the extent necessary, by an appreciation of exchange rates.

The Role of the Fund

These various aspects of adjustment would have to be kept clearly in mind in the IMF's consultations and in establishing conditions for the use of the fund's credit tranches. They also had important implications for the new task of the fund under its amended Articles: the surveillance of exchange rate policies (see p 71). Among their obligations under the proposed Article IV, members were to avoid manipulating exchange rates or the international monetary system in order to prevent effective balance of payments adjustment or to gain an unfair competitive advantage over other members. In performing its duty under Article IV to ensure the effective operation of the international monetary system, to exercise firm surveillance over the exchange rate policies of members, and to adopt specific principles to guide members in connection

with those policies, the fund would rely heavily on an intensification of its consultation procedures with members. Furthermore, it would become more important for the fund to take the initiative to hold special, *ad hoc*, consultations with members whenever, in its judgment, developments related to the exchange rate field warranted this.

To encourage adoption of the adjustment policies he had outlined, Mr Witteveen said that it might be desirable for unconditional balance of payments financing to be somewhat less readily available than it had been for some countries in the recent past. The largest amounts of this kind of financing have been provided by commercial banks, which in 1974 and 1975 had performed a valuable service that had helped to sustain world economic activity. However, in the different situation that had now emerged he welcomed the increasing tendency for commercial banks to gear their lending to IMF stand-by arrangements.

He said that he knew that there was concern in developing countries that balance of payments adjustment might be harmful to development efforts, but there was no reason to expect this to be the case. On the contrary, where domestic prices had moved out of line, exchange rate adjustment was an essential precondition for rapid expansion of exports. Moreover, in so far as adjustment required a reduction in domestic expenditure, well-designed policies should make it possible to direct this reduction to less essential elements of expenditure, rather than to investment. A number of developing countries had improved their economic growth after putting into effect a successful programme of exchange rate adjustment and domestic policy measures.

The fund's role in providing financial support to its member countries had continually to adjust to changing conditions. In fact, the evolving pattern of world payments had been reflected clearly in the fund's financial transactions. During its two-year life, an amount equivalent to nearly SDR[1] 7,000 million had been channelled through the oil facility, which had been terminated according to plan in early 1976.

In response to the 1974-75 recession, the fund had modified and liberalised its compensatory financing facility in December 1975. During the nine months since then, 40 members had drawn a total of SDR 1,900 million on the facility, an amount one and a half times as large as the total use of the facility over the 12 preceding years. Mr Witteveen said that he expected that with the progress of the recovery in world trade, requests for drawings under the facility would subside by the end of this year.

The compensatory financing facility had been of considerable assistance in counteracting the effects of export shortfalls after the event. But the recession had also rekindled interest in measures that might help to avoid excessive price fluctuations of primary products, particularly through buffer stock schemes. He recalled that in this connection the fund itself took a decision in 1969 to assist members with the financing of their contributions to internationally approved buffer stocks; this had been followed by decisions making the fund's resources available to members in connection with buffer stocks for tin and cocoa and, more recently, by a liberalisation of the buffer stock facility. Without prejudice to more general arrangements that might be negotiated, the fund would be able to assist members in connection with contributions to buffer stocks for other commodities that might be established by agreement between producers and consumers.

The oil facility, the compensatory financing facility, and the buffer stock facility had all been primarily designed to assist members in dealing with payments difficulties mostly attributable to factors beyond their immediate control. This fact was reflected in the light degree of policy conditions that characterised these facilities. But payments difficulties did not arise only from extraneous causes. They were frequently due, wholly or in part, to inappropriate policies in the deficit country. Even when they were not, adjustment could not be postponed indefinitely.

The fund had the essential task of assisting members in the formulation of adjustment programmes and of providing financial assistance to deal with payments problems while the programme was taking hold. Experience showed that, for the fund to be effective in promoting adequate adjustment, the amounts it made available in support of a satisfactory programme should be substantial. This applied particularly when payments disequilibria were large, as at present. Mr Witteveen said that it was therefore gratifying to note that the Sixth General Review of Quotas would increase the access of members to the fund's resources by about one-third on average. Pending the entry into effect of the new quotas, access to the fund's resources in the credit tranches had been temporarily enlarged by 45 per cent (see p 71). Looking beyond these two steps and bearing in mind the crucial importance of the IMF being adequate in size to perform its adjustment role effectively, he said he attached particular importance to the fact that the Seventh General Review of Quotas would be accelerated and was to be concluded by February 1978, two years ahead of the usual schedule.

An important milestone for the fund would be the second amendment to the fund's Articles of Agreement. This comprehensive amendment, when accepted by the necessary majorities of members, would go a long way toward adapting the fund and its operations to present-day conditions. It was therefore important that it should go into effect as soon as possible; this would also permit the enlarged quotas under the Sixth Review of Quotas to become effective. The new Articles would give members both new rights and new obligations.

Summary of Meeting

Summarising the specific conclusions of the meeting, Mr Mohammed Imady, Chairman of the Board of Governors and Minister of Economy and Foreign Trade of the Syrian Arab Republic, said in his concluding remarks that a consensus had emerged on the need for a central guiding hand in the creation and distribution of adequate international liquidity. Many governors had expressed their hopes that the fund could increasingly assume this role, acting as a co-operative multilateral institution favouring no

[1] Special Drawing Right (see p 268, 1974).

nation or group of nations. Almost all governors had joined in supporting Mr Witteveen on the need for speedy ratification of the proposed second amendment to the fund's Articles of Agreement in an imperfect, but necessary, first step towards making the international monetary system more realistic. There had been further agreement to continue diminishing the importance of the role of gold and its replacement in national reserves by the SDR. A number of governors had stated, further, that the developing countries should be given a greater proportion of any newly created reserves. There had been agreement also on the need for the fund to develop and put into use stabilisation techniques, and that the process of adjustment and stabilisation should be symmetrical.

The World Bank Group

PRESIDENT'S SPEECH

In a speech on 4 October to the Board of Governors of the World Bank Group, the President of the group, Mr Robert McNamara, called upon the developing and developed nations to come to a basic understanding – a 'global compact' – concerning the problems of development and their solution. 'Such an understanding', he declared, 'would make clear in overall terms both the additional trade and aid support to be provided by the developed nations and the policy reforms and structural changes to be undertaken by the developing nations. These should have as one of their major objectives the meeting of the basic human needs of the absolute poor in both the poorest and the middle-income countries within a reasonable period of time, say by the end of the century.

'Once the broad limits of such an understanding had been established', Mr McNamara continued, 'then the specific form of assistance to be provided by individual developed nations to particular developing countries could be examined. It would then become apparent that it was relatively unimportant whether the assistance is to take the form of commodity agreements, debt relief, trade concessions, bilateral aid, or multilateral financing – or any particular combination of these – provided the overall total is adequate.'

Earlier in his speech, Mr McNamara had pointed out that the search for a greater social justice and a more equitable economic environment was becoming more evident at both national and international levels. At the same time, he added, the problems which he had discussed in previous years – the nature and extent of absolute poverty (see p 395, 1973), the maldistribution of income in developing societies (see p 379, 1974), and the immense disparity in wealth between the developing and the industrialised nations (see pp 400-1, 1975) – were continuing to deteriorate rather than to improve.

The Poorest Nations

The prospects for the poorest countries over the next decade, Mr McNamara stated, were bleak and at best they could expect a projected per capita growth rate of 2 per cent. Even if by an extraordinary effort per capita growth rates could be expanded beyond 2 per cent it would mean little or no alleviation of the absolute poverty in which 750 million of their 1,200 million people lived. The implementation of a development strategy that would benefit the poor required extensive policy changes by these countries. In particular they needed to intensify their efforts to expand domestic food production; take more determined action to moderate population growth; and direct social services more equitably towards the poor.

At the same time, Mr McNamara continued, these countries would not be able to meet the basic human needs of all their peoples by the end of the century – which he considered to be 'a reasonable objective' – unless there was an increase in the assistance provided by the international community. There were four principal ways in which industrialised nations could make this available: by additional transfers of concessional assistance; by increasingly directing such assistance towards the poorer nations and, within them, to programmes benefiting the poorest sectors of their populations; by easing the burden of present and potential debt; and by expanding the opportunities of the poorest countries to earn more foreign exchange through exports.

Middle-income Developing Countries

Turning to the situation facing the middle-income countries, Mr McNamara said that while they had experienced an annual growth rate of 6·5 per cent over the last decade, their achievement had been marred by serious inequities in their income-distribution patterns. Not only did the 170 million absolute poor in their societies suffer the same deprivations as those in the poorest countries, but hundreds of millions more were subsisting on income levels less than a third of the national average. These extremes of inequality had contributed to severe political turmoil in a number of these countries, and could easily trigger further violence. Their Governments must recognise that if the growth rates of the past were to be resumed and sustained, their benefits must be more widely distributed.

At the same time, Mr McNamara added, that these measures were taken – and were buttressed by greater efforts to mobilise internal resources, expand employment, and broaden the range of exports – the industrial nations must find practical ways to assist by permitting more equitable access to their own markets, and by making available additional development capital on reasonable terms.

The Role of the World Bank

Between 80 and 90 of the developing countries now dependent on the World Bank as a major source of external capital, Mr McNamara explained, would continue to require such assistance for at least the next decade. Indeed, the majority of them would require it for two or three decades. The World Bank, however, was faced with a number of resource constraints which threatened to steadily erode the scale of its operations. Without additional increases in the capital of the International Bank for Reconstruction and Development (the Bank or IBRD),

its commitments in real terms would decline from $5,800 million in fiscal 1977 to no more than $3,900 million in fiscal 1986. A decision over the bank's future growth, therefore, could no longer be deferred.

Turning to the International Development Association (IDA), Mr McNamara pointed out that, owing to inflation, the IDA's commitment authority in fiscal 1977 would have to be substantially less even in nominal terms that in had been in fiscal 1976. Moreover, if a complete hiatus in IDA operations beginning in July 1977 was to be avoided (fiscal 1978), it was necessary for the World Bank governors to commit themselves to securing agreement on the IDA's fifth replenishment by 31 March 1977; and for some donors to make all or part of their contributions available in advance of the replenishment's formal ratification, which could not be expected until after June 1977.

ANNUAL REPORTS

The annual report of the IBRD and the IDA for fiscal 1976 (1 July 1975 to 30 June 1976) was published in September, as was that of the International Finance Corporation (IFC). These show that development finance commitments by the three institutions in fiscal 1976 totalled $6,877·4 million; more than in any previous year and $769 million above the record level of fiscal 1975. Of the total, $4,977 million took the form of 141 IBRD loans to 52 countries, $1,655·3 million consisted of 73 IDA credits to 36 countries, and $245·3 million represented 33 investments in 23 developing countries. Bank disbursements rose by $475 million to $2,470 million, and the IDA's by $226 million to $1,252 million. Bank lending in 1976 increased by 9 per cent in real terms while that of the IDA fell by 1 per cent.

The IBRD and IDA continued to expand their assistance to the poorest among their member countries. These countries accounted for 39 per cent of total bank and IDA commitments, as against 38 per cent in fiscal 1975. In the case of the IDA alone such countries accounted for 92 per cent of commitments as against 84 per cent in fiscal 1975.

For the second consecutive year lending for agriculture and rural development was greater than for any other sector (see tables). Sixty-five projects were approved involving commitments of $1,627·6 million; of these 38 were rural development projects in which the majority of benefits accrue to the rural poor. Agriculture and rural lending accounted for about 25 per cent of all bank and IDA commitments during the year. Lending in the traditional sectors – power, transportation, and telecommunications – accounted for about 36 per cent.

Another significant development during the year was that a resolution establishing the Intermediate Financing Facility, more commonly known as the 'third window', was adopted on 29 July 1975. On 23 December 1975, this facility, designed to enable the bank to provide development assistance in terms intermediate between those of the bank and IDA, became effective. As of 30 June 1976, contributions and notifications of contributions to the facilities were sufficient to subsidise approximately $600 million of loans. Total lending in fiscal 1976 on 'third window' terms was $477·8 million for 20 projects. 'Third window' lending is normally extended to countries with 1972 per capita incomes of under $375; the loans are extended only to countries which are regarded as making reasonable development efforts in relation to their resource base and development potential; and potential recipient countries are those judged able to repay the loans, taking account of the deterioration in their terms of trade and other factors affecting their long-run capacity to repay loans in foreign exchange.

During the year the IFC invested a greater total amount in more developing countries than in any previous year. Thirty-three investments, in loan and equity, totalling $245·3 million were made in 1976 to 33 enterprises in 23 developing countries. Concurrently with the IFC other institutions invested $838 million in the same enterprises. Taking into account $329 million to be financed by cash generation, the total cost of the projects to which these commitments were made was $1,412 million.

The main sectors supported were iron and steel ($65·4 million), development financing ($44 million), textiles and fibres ($38·5 million), general manufacturing ($25·5 million). Other sectors aided include non-ferrous metals, food and food processing, construction materials, pulp and paper,

Table 1

IBRD/IDA Lending by Sector in Fiscal 1976

$ million

	IBRD	IDA	Total
Agriculture	1,209·2	418·4	1,627·6
Development Finance Companies	697·1	64·0	761·1
Education	244·9	76·4	321·3
Electric Power	690·3	259·0	949·3
Industry	501·0	105·0	606·0
Telecommunications	59·0	5·2	64·2
Tourism	21·0	10·0	31·0
Transportation	1,114·7	256·2	1,370·9
Urbanisation	79·6	—	79·6
Water Supply and Sewerage	246·5	88·1	334·6
Miscellaneous	46·3	373·0	419·3
Total	4,977·1	1,655·3	6,632·4

Table 2

IBRD/IDA Lending by Region in Fiscal 1974-76

$ million

	1974	1975	1976
Eastern Africa	408·4	656·4	440·6
Western Africa	281·7	424·2	450·1
East Asia and Pacific	703·9	976·4	1,458·5
South Asia	657·9	1,189·6	1,349·2
Europe, Middle East and North Africa	1,321·5	1,434·2	1,485·6
Latin America and Caribbean	923·2	1,215·0	1,448·4

chemicals and photo-chemicals, mining, motor vehicles and accessories, tourism, and money and capital markets.

The IFC's operations in fiscal 1976 brought the cumulative gross total of the corporation's investments since it was established in 1956 to $1,505 million in 271 enterprises in 61 developing countries, in which other concerns had concurrently invested approximately $6,300 million. Of the cumulative total of the corporation's commitments, $927 million, or about 62 per cent, had been committed in the last five years.

BRITAIN AND THE WORLD BANK

Britain was one of the founder members of the World Bank Group. Its subscription to the IBRD is second only to that of the United States and amounts to 10·2 per cent of the total ($3,136·5 million in current United States dollars on 30 June 1976). One-tenth of this has been paid in and is usable by the bank for lending. Britain's contribution to the IDA at 30 June 1976 totalled $1,218·8 million, or 11·5 per cent of the total, while that to the IFC amounted to $14·4 million out of a total of $108·3 million. Britain has also committed $10 million to the 'third window'.

Britain is a member of the consortia for aid to India and Pakistan which have been established by the World Bank to assist in co-ordinating development assistance in support of the two countries' development plans. It also participates in the consultative groups or other aid co-ordination groups which have been established under bank auspices to co-ordinate development assistance to some 15 other countries.

Securities Market Supervision

Four measures to improve supervision of the securities market were announced on 21 October by Mr Edmund Dell, Secretary of State for Trade, (*Hansard*, written answers, cols 521-2).

Review

Mr Dell said that in June 1974 his predecessor had announced that the Department of Trade would carry out a review of the present arrangements for supervision of the securities market. In the course of the review, the department had consulted a wide range of representative bodies and had also studied the systems of supervision in other countries, particularly in North America. The review had shown, he said, that the present combination of statutory and self-regulatory control, although perhaps considerably more effective than its critics admitted, could with advantage be improved in a number of respects. The recent decision to appoint a committee of inquiry to review the functioning of financial institutions (see p 446), which would, among other things, examine arrangements for the supervision of those institutions, did not remove the need to make a number of improvements in the existing system as quickly as possible.

Measures

The Secretary of State had therefore decided that, without pre-empting the study to be undertaken by the committee of inquiry, the following limited measures needed to be taken to improve the supervision and functioning of the present system:

1 A joint review body should be set up by the Department of Trade and the Bank of England. This would keep the working of the present system under review and would expose any gaps in the statutory and non-statutory areas.

2 The Bank of England should develop its surveillance of the securities industry, with a view to improving the effectiveness of the existing self-regulatory machinery. This should also help to increase the effectiveness of the new review body.

3 Legislation should be introduced as soon as opportunity permitted to bring abuses such as 'insider trading' (that is, trading in securities by people having privileged information not available to the general public) within the scope of the law and to impose tighter restrictions on loans by companies to their directors.

4 The Prevention of Fraud (Investments) Act 1958 should be amended, as soon as opportunity permitted, in order to bring up to date the Department of Trade's regulation of the statutory part of the securities system. This would include, for example, more effective and flexible powers to supervise licensed dealers in securities and possibly to provide for the licensing of investment advisers.

Mr Dell said that, consistent with the need for detailed consultations with interested bodies on the proposed changes in legislation, the Government intended to press ahead with the measures as quickly as possible. In addition the Secretary of State said that he had had discussions with the accountancy profession, which had now decided to set up an independent committee to review its investigatory and disciplinary procedures.

Trends in Invisible Trade

The net surplus on invisibles declined by 18 per cent between 1974 and 1975, from £1,873 million to £1,531 million. These figures, which incorporate some revisions to previous estimates, were given in *United Kingdom Balance of Payments 1965-75* (see p 369) and were analysed, with more recent figures, in an article in *Trade and Industry* on 22 October.

The sea transport account showed a small net surplus in 1975 compared with a large deficit in 1974. This, combined with a large increase in the net surplus on travel and smaller increases in the net surplus on other services and civil aviation, resulted in an increase of £244 million in the net surplus on private and public corporations' services, which more than offset the increase of £87 million in the net deficit on Government services. The net surplus for 1975 on interest, profits and dividends fell by £443 million compared with 1974, while the net

deficit on Government transfer payments was £59 million higher and that on private transfers virtually unchanged.

In the first half of 1976 the net surplus on invisibles of £921 million was well above the figure of £715 million for the first half of 1975, to which a rise in the net surplus on private and public corporations' services and on net earnings in the form of interest, profits and dividends both contributed. The net deficits on Government transfers and Government services both deteriorated while that on private transfers remained almost unchanged.

PRIVATE SERVICES

Sea Transport

Provisional figures from the General Council of British Shipping indicate that there was a small surplus on the sea transport account in 1975, the first since 1968. The surplus in 1975 was £12 million, compared with deficits of £105 million in 1974, £101 million in 1973 and £77 million in 1972.

The world economic recession has caused sharp changes to the general trading conditions of the world merchant fleet. The impact of the continuing reduced demand for oil has not only resulted in freight and charter rates for tankers remaining at a low level but also in the substantial volume of combination tonnage, able to carry both bulk cargoes and oil, being forced onto the dry cargo market. There has therefore been over-capacity in this sector, which, coupled with the relative lack of business generally in the bulk trades has forced down the rates in these markets.

When the net contributions of ships owned by British operators, ships on charter to them and ships operated by overseas owners are separated, it is seen that the net earnings of British-owned ships in 1975, at £831 million, was about the same as in 1974. This was due to a reduction in the rate of increase in earnings, brought about particularly by a reduction in the earnings of both dry cargo and tanker cross-trades, being matched by similar factors influencing disbursements abroad. Net debits for ships chartered by British operators in 1975 were,

Invisible Transactions 1972-76 (1st half)

£ million

	1972	1973	1974	1975	1975† 1st half	1975† 2nd half	1976† 1st half
Credits							
Private* services:							
Sea transport	1,610	2,058	2,675	2,648	1,305	1,343	1,454
Civil aviation	410	480	619	759	361	398	474
Travel	546	681	837	1,114	524	590	684
Other services	1,499	1,817	2,266	2,681	1,275	1,406	1,568
Total private* services	4,065	5,036	6,397	7,202	3,465	3,737	4,180
Interest, profits and dividends	1,741	2,898	3,177	2,955	1,452	1,503	1,683
Transfers:							
Private	231	295	355	395	195	200	210
Government	–	63	130	363	184	179	136
Government services	72	80	94	123	64	59	67
Total credits	6,109	8,372	10,153	11,038	5,360	5,678	6,276
Debits							
Private* services:							
Sea transport	1,687	2,159	2,780	2,636	1,273	1,363	1,452
Civil aviation	333	396	529	649	314	335	402
Travel	527	682	683	875	416	459	486
Other services	590	696	954	1,347	653	694	744
Total private* services	3,137	3,933	4,946	5,507	2,656	2,851	3,084
Interest, profits and dividends	1,190	1,515	1,785	2,006	1,054	952	1,102
Transfers:							
Private	288	386	446	483	235	248	253
Government	210	422	450	742	331	411	460
Government services	428	518	653	769	369	400	456
Total debits	5,253	6,774	8,280	9,507	4,645	4,862	5,355
Net Invisible Balance	+856	+1,598	+1,873	+1,531	+715	+816	+921

* Including public corporations
† Seasonally adjusted

at £326 million, again at a similar level to those in 1974, while the earnings of chartered-in ships in 1975 decreased by 18 per cent, reflecting the loss in cross-trade earnings. This was offset, however, by a 13 per cent reduction in payments in 1975, a result of substantially lower charter payments.

A decrease of 20 per cent in net payments to overseas operators was the main cause of the sudden improvement in the net position in 1975. Earnings from overseas operators, as a result of their disbursements in Britain, rose by nearly 22 per cent in 1975, but payments to such operators, which are largely incurred in the carriage of British imports, fell by 8 per cent. This was a direct result of a lower level of total freight payments for carrying British imports combined with a larger share being taken by British operators.

The net surplus on the sea transport account was £30 million less in the first half of 1976 compared with 1975. Tanker and bulk carrier rates have remained at a low level but disbursement costs overseas have continued to rise. British imports have also increased and thus payments to overseas operators for the carriage of imports have grown.

Civil Aviation

The net surplus on the civil aviation account in 1975, at £110 million, was £20 million higher than in 1974. Results for the first half of 1976 indicate that the net surplus was £25 million more than that for the first half of 1975.

British airlines' earnings in foreign currency in 1975, at £559 million, were 24 per cent higher than in 1974. Just over three-quarters of this revenue came from the carriage of overseas residents. Earnings from freight charges on exports rose by £12 million to £83 million in 1975 and other earnings rose by £5 million to £40 million. Expenditure overseas by British airlines increased by 20 per cent between 1974 and 1975 to £347 million, and the resulting net balance was, at £212 million, 32 per cent higher than in 1974.

The growth of 26 per cent in payments made to overseas airlines by British residents in 1975 was similar to that in 1974, and such payments stood at £302 million in 1975, compared with £239 million in 1974. Overseas airlines' expenditure in Britain rose by 19 per cent to £200 million in 1975, and the resultant net earnings of overseas airlines from British residents was, at £102 million, 44 per cent higher than in 1974.

Travel

The surplus on the travel account rose from £154 million in 1974 to £239 million in 1975. This increase has continued in 1976, and in the first six months of 1976 the surplus was £198 million compared with £108 million in the first six months of 1975.

The increase in earnings from overseas visitors has been brought about both by an increase in numbers and by increased expenditure per visit, each of these to some extent encouraged by the depreciation of sterling.

Expenditure abroad by British residents has also risen, but at a much slower rate, the number of British visits abroad in the first half of 1976 being similar to those in the first half of 1975.

Other Services

The category 'other services' includes a wide-ranging group of items including financial and technical services, commissions, royalties, and construction work overseas. Credits rose by 18 per cent between 1974 and 1975, a slower rate of growth than between 1973 and 1974. The rise in debits of 41 per cent was higher than in previous years, but the net surplus of credits over debits rose slightly by £22 million to £1,334 million. The rise in credits continued in 1976 with a rise of 23 per cent between the first half of 1975 and the first half of 1976, and as debits rose by only 14 per cent during the same period, the net surplus in the first half of 1976 was 32 per cent higher than in the first half of 1975.

One of the most buoyant sectors within 'other services' has been the earnings on financial services. The four main classes of financial and allied services are banking, merchanting, brokerage and insurance.[1] Earnings of all these classes increased, except for a fall of £18 million in earnings from merchanting, from £645 million in 1974 to £742 million in 1975.

Other notable changes within 'other services' between 1974 and 1975 were the rise in the earnings on construction work abroad by 40 per cent to £295 million (see pp 437–41) and the continuing fast-growing expenditure on services associated with British Continental Shelf activities.

INTEREST, PROFITS AND DIVIDENDS

The net surplus on earnings from interest, profits and dividends fell to £949 million in 1975, following a small rise between 1973 and 1974. The fall was reversed in the first half of 1976 when the net surplus was £581 million compared with £398 million in the first half of 1975.

Following an increase of 3 per cent between 1973 and 1974, earnings on direct investment abroad (excluding oil) are estimated to have risen by 6 per cent between 1974 and 1975, and have continued to increase in the first half of 1976, being some 7 per cent higher than in the first half of 1975.

Compared with a fall of 13 per cent between 1973 and 1974, earnings on foreign direct investments in Britain (excluding oil and insurance) increased by 5 per cent between 1974 and 1975. Such earnings continued to rise in the first half of 1976, being some 28 per cent higher than those in the first half of 1975, partly due to an improvement in the profitability of the British motor industry.

The net deficit from earnings on portfolio investments was £68 million in 1975 compared with a deficit of only £4 million in 1974. Credits fell by £11 million and debits rose by £53 million. This net deficit has continued to grow, being £26 million higher in the first half of 1976 than in the first half of 1975. Other credits (which include the earnings of British oil companies, British banks, their lending and borrowing in overseas currencies, receipts of

[1] The insurance figures in 'other services' cover only business written within Britain and do not cover all the overseas earnings of insurers, part of which (the earnings of overseas branches and subsidiary companies of British insurance companies and receipts of interest and dividends by the Corporation of Lloyd's and by companies on holdings of foreign securities) appear under 'Interest, Profits, and Dividends'.

interest on inter-governmental loans and trade credits) fell by 21 per cent between 1974 and 1975 compared with a rise of 15 per cent between 1973 and 1974. In the first half of 1976, however, these credits rose sharply, being 30 per cent higher than in the first half of 1975.

Other debits rose by 14 per cent between 1974 and 1975. Total other debits were 11 per cent lower in the first half of 1976 compared with the first half of 1975.

Dividing interest, profits and dividends between private and public sector transactions, it is seen that the net public sector deficit rose from £363 million to £545 million between 1974 and 1975 and has continued to rise during the first half of 1976, being some £66 million higher than in the first half of 1975. At the same time, the net private sector surplus fell in 1975 to £1,494 million but began to rise sharply in the first half of 1976, being £249 million higher than in the first half of 1975.

British Construction Overseas

BUILDING AND CIVIL ENGINEERING

About 80 British building and civil engineering firms won new contracts overseas valued at an estimated £1,433 million in the year ended 31 March 1976 (compared with £1,123 million for the year 1974-75), according to figures issued by the Department of the Environment (*Trade and Industry*, 15 October 1976). British firms were active in 112 countries.

When the overseas earnings of the related professions of consulting engineers, architects and surveyors are included, with the £158 million of earnings from the direct investment of British construction companies in their overseas branches and subsidiaries, the total contribution by the construction industry, excluding building materials, to Britain's balance of payments in 1975-76 exceeded £350 million.

As in previous years, the major contracts were won by comparatively few firms with well-established overseas interests; over 95 per cent of the total value was obtained by 20 firms, with the top six accounting for 73 per cent of all contracts.

The dominant share of the contracts for 1975-76 was from the Middle Eastern countries where they reached a total value of £566 million, £35 million more than in 1974-75. Asia as a whole increased its total to £599 million (42 per cent of the world total) and Africa also showed an increase in 1975-76, where the value of new contracts rose substantially for the second year running, reaching £491 million compared with £258 million in 1974-75. Other areas to show an increase in 1975-76 were Oceania, where the value of new contracts rose by £29 million to £99 million, and America where the level of new contracts increased from £72 million in 1974-75 to £93 million in 1975-76. In Europe the value of new contracts fell by £13 million to £151 million.

Details of some major contracts follow (see also table on p 438).

The Middle East

Costain Civil Engineering Ltd and Taylor Woodrow International Ltd, in a joint venture, have been awarded a contract valued at £85 million for an extension to Port Rashid in Dubai. Another major contract won by Costain and Taylor Woodrow in a joint venture is for an extension to the Dubai dry dock complex, which they are at present constructing. The contract, worth £71 million, is for widening the scope of the repair and maintenance facilities.

Taylor Woodrow International Ltd has joined with the State Constructional Contracting Company of Iraq to provide management and technical advice on the construction of a new £52 million phase of the University of Baghdad. The new phase of the project is programmed to take six years and includes the construction of 19 major buildings together with earthworks and final landscaping.

George Wimpey and Co Ltd, in a joint venture with Messrs Al Futtaim, has won a contract valued at more than £4·3 million for the construction of a third bridge across the creek in Dubai. Other contracts won by George Wimpey and Co Ltd and Messrs Al Futtaim in a joint venture include a contract valued at £1·1 million for the extension to the Hamriya Dubai Fishing Harbour, and a contract involving earthworks for a new airport at Sharjah in the United Arab Emirates. In the Sultanate of Oman, George Wimpey and Co Ltd has been awarded a contract, valued at £1·6 million, by the Inspector General of the Royal Oman Police.

Balfour Beatty Power Construction Ltd, an operating company of the Balfour Beatty Group of BICC Ltd, has been awarded a contract by the Sharjah Electricity Department, United Arab Emirates, for 33-kilovolt (kV) overhead transmission lines. Tarmac International has won three contracts in the Abu Dhabi area with a total value of more than £1·5 million.

The joint venture between Tarmac International and two companies in the Federal Republic of Germany, Trapp and Heitkamp, has won another road-building contract in the Yemen Arab Republic. Following the completion of the 256 kilometre (km) Sana'a to Taiz road, the joint venture is to undertake a £5 million contract to surface and realign a 64-km stretch of road out of Taiz to link up with the Russian-built highway continuing to Hodeidah. Bovis Construction has been awarded its first Iranian contract, worth over £0·5 million, for a programme of alterations and extensions to the Notre Dame Hospital, Tehran.

Africa

Tarmac Overseas Ltd, a member of Tarmac's international division, in a joint venture with the Arab contractors, Osman Ahmed Osman Co, has been awarded a £30 million contract by the Egyptian Ministry of Housing and Reconstruction for the design and construction of a road tunnel 2·2 km long, which is to run under the Suez Canal.

George Wimpey and Co (Nigeria) Ltd has been awarded a contract, valued at £27·8 million, by the Nigerian Federal Ministry of Works. The contract is

Construction Work Overseas
Years ended 31 March

£ million

Area	Total value of contracts obtained		Total value of work done		Total value of work outstanding	
	1975*	1976†	1975*	1976†	1975*	1976†
Europe	164	151	72	89	166	230
of which European Community	41	16	21	25	38	31
Asia	559	599	161	399	617	833
Africa	258	491	127	229	282	580
America	72	93	52	84	54	56
Oceania	70	99	55	74	134	160
Total	1,123	1,433	467	875	1,253	1,859

* Revised
† Provisional

for the construction of 119 km of road between Jos, the capital of Plateau State and Bauchi, the capital of the newly formed Bauchi State. Other contracts won by George Wimpey and Co (Nigeria) Ltd include one with an initial value of £12·5 million, awarded by the Federal Ministry of Education, for the construction of an advanced teacher training college at Pankshin in Plateau State and a sub-contract valued at £3·25 million for earthworks, 30 km of roads and a comprehensive storm-water drainage scheme at the Naira Lagos International Trades Fair.

Costain (West Africa) Ltd has won two contracts worth over £10 million from the Government of Nigeria's North Western State Ministry of Works to construct two water supply extensions at Minna and Bida. The same company has also won another two contracts in Nigeria worth over £9 million. The first, valued at almost £4 million, is for civil engineering works for extensions at Nkalagu cement works and Ngbo quarry for the Nigerian Cement Co Ltd. The second contract, for over £5 million, was awarded to Costain by the Rivers State government to construct a ten-storey podium block for the New Secretariat at Port Harcourt.

BICC Construction Ltd, a member of the Balfour Beatty Group of BICC, has been awarded a further major contract by the National Electric Power Authority for the extension of Nigeria's 132-kV power transmission system.

Cubitts Nigeria Ltd, a subsidiary of Cubitts International Ltd, has been awarded a contract worth over £10 million to build the Advanced Teachers' Training College at Yola, capital of Gongola State, Nigeria. This project for the Federal Ministry of Education entails the construction of houses, hostels, staff quarters, laboratories, assembly halls and lecture rooms. More than 100 buildings are involved, covering an area of 2·5 square kilometres. Another contract won by Cubitts Nigeria Ltd is for the reconstruction of the Maiduguri airport. The contract, worth more than £9·3 million, was awarded by the Nigerian Federal Ministry of Transport. In order to accommodate increasing *Boeing 707* traffic, Cubitts are providing new airfield pavements, a central runway 2,800 metres long, adjacent runway areas, taxiways, and a new apron and terminal area.

Stirling-Astaldi Ltd continues to increase its involvement in Africa. In Nigeria, in addition to obtaining new contracts for 500 km of road construction, the company is engaged on a major bridge project at Yola. Elsewhere in Africa, the company has obtained new work in Botswana, including the construction of a new road from Francistown to Nata, in Kenya, where the company is engaged in a joint venture on hydro-electric work and, in the Ivory Coast, for major road and bridge construction.

Oceania

Costain Australia Ltd has been awarded several contracts during the period under review. The Australian Mutual Provident Society awarded Costain an £8 million contract to build the Knox shopping centre some 20 km from Melbourne. The same company has also won several contracts in Sydney, including a £5·25 million contract awarded by the Australian Telecom Commission to build an extension to the Haymarket telephone exchange; a paediatric block for the Prince of Wales Hospital for over £2 million; a public school, a gymnasium and a ten-storey college extension valued at approximately £2 million; two contracts to design and construct government offices totalling over £1 million; and a 12-storey hostel for old people for just under £0·5 million.

Elsewhere in Australia, Costain Australia Ltd has won a £5 million contract to build an office and computer centre in Canberra for the National Capital Development Commission; a £4·8 million contract to build a school in West Ryde for the Public Works Department of New South Wales; and, in a joint venture with A. B. and M. A. Chick Pty Ltd, the company has been awarded a £2·2 million contract by the Australian Government to build the Australian Trade Union Training College at Albury-Wodonga. Two contracts, together worth almost £3·6 million, have been awarded to Cubitts (New Zealand) Ltd for the construction of offices in Auckland and Wellington.

North, South and Central America

Kier International, the new subsidiary of J. L. Kier Ltd, formed to control the overseas work of French Kier, has been awarded a £5·5 million contract to construct the first new container terminal at Port of Spain, Trinidad.

George Wimpey Canada Ltd has been awarded several contracts during the year under review. One of the largest is one worth £2 million awarded by the Ontario Housing Corporation for the advance preparation of a housing site, with all the services and roads. The others include a £1·82 million contract comprising roads, sewers and preparatory works for an estate development at Meadowvale, Ontario; similar contracts at Scarborough, valued at £1·74 million; at Whitby, valued at £1·66 million; at Nanticoke, valued at £1·46 million; and at Brampton, valued at £1·31 million. Taylor Woodrow International Ltd has been awarded a contract by the Guyana Electricity Corporation valued at approximately £0·5 million for the construction of the civil works for the Berbice power station.

Rest of the World

A consortium led by Kier International and including F. J. C. Lilley Ltd and Gammon (HK) Ltd has secured a £60 million contract for building two stations and related tunnelling as part of the multi-million pound Hong Kong mass transit railway, now officially designated the Hong Kong Metro.

THE CONSULTANT PROFESSIONS

The three main professional organisations representing British consulting engineers, architects and surveyors reported in 1976 on their activities overseas and stressed the vital role of consultants in earning overseas currency.

Consulting Engineers

British members of the Association of Consulting Engineers practising overseas are currently responsible for works worth a total of more than £12,000 million.

New Arts Centre in Paris

Ove Arup and Partners are involved with the new Centre Pompidou in Paris, a major example of the innovatory use of steel, designed by Piano and Rogers. Intended to provide Paris with an arts centre of advanced technological design and sophistication, it has a frame consisting of a perimeter of vertical hollow and solid steel columns. Services and communications will be carried on the outside of the building, with lifts and pedestrian travelators housed in transparent tubes. The centre contains a library, museum, art gallery and other facilities.

Causeway in Bahrain

Rendell Palmer and Tritton are engaged on a £5·5 million causeway which will carry two asphaltic concrete surface lanes for fast traffic, with footpaths on either side and a central reservation, and power cables and water pipes from the new Sitra Power and Water Station to serve Manama, the principal town of Bahrain.

Sewerage in Singapore

Singapore is modernising its environment to take advantage of its prime situation in south-east Asia for trade and communications. The need for more and better housing has led to decentralisation from the old Chinatown and to the development of satellite towns. D. Balfour and Sons have been associated with the planning, design and execution of the sewerage and sewage treatment facilities for four such developments. The first stages of these projects alone will provide for some 1 million people at an estimated cost of £50 million.

Irrigation in Nigeria

Sir M. MacDonald and Partners, winners of a Queen's Award to Industry in 1976, have been principally concerned with irrigation development. In the South Chad irrigation project in Nigeria, for example, water will be pumped from Lake Chad to irrigate ultimately an area of 66,000 hectares close to the lake, and in a second project at Bakolori, a dam is under construction on the Sokoto River for a project of 30,000 hectares.

Ports and Harbours

Sir Bruce White Wolfe Barry and Partners are the consulting engineers for work on stages 1 and 2 of the development of Tripoli harbour. The total cost of the works in hand there is now estimated at £275 million.

In Malaysia, the Kelang Port Authority are employing Coode and Partners of London, in association with Yousof Ibrahim Sehu Berakan of Kuala Lumpur, on an extension to Port Kelang, Malaysia's leading port. The extension, now in course of construction, consists of 1,060 metres of berths and 120 hectares of reclamation which will provide 430 metres of bulk cargo berthage.

The most valuable commissions ever awarded to Sir William Halcrow and Partners were the new port of Jubail and further extensions to the port of Jeddah. The first contracts for both harbours were let during 1975.

In October 1974, Bullen and Partners were appointed by the Egyptian Ministry of Housing and Reconstruction to make proposals for the master plan for the city of Port Said. The company presented its report in March 1976. The main proposals of the study cover shipping and trade forecasts, employment, the development of the new port to handle 10 million tonnes annually, industrial, municipal and social services, transportation and urban land reclamation.

Other Projects

Richards and Dumbleton have been engaged on a project to obtain underground fresh water resources in the Cayman Islands in the West Indies, while Harris and Sutherland have been active in Iran. One of the latter's projects is the construction of a new commando training centre in Manjil for the Imperial Iranian Navy.

In the western provinces of the Libyan Arab Republic, an extension of the Tripoli West power station and a new station to be known as Tripoli East are being built. Kennedy and Donkin have been appointed as consulting engineers to make a trans-

mission study on the integration of the Tripoli West extension and the new Tripoli East power station into the 220-kilowatt (kW) grid network of the western provinces, and to undertake, in association with Sir William Halcrow and Partners, the design and supervision of construction of both power station projects including the associated 220-kW indoor sub-stations.

In Oman, in the Middle East, Brian Colquhoun and Partners designed a new road, opened in 1975, which connects the developing township of Ruwi with the fishing village of Al Bustan. The road forms part of a new strategic road to the capital, Muscat.

An Industrial Estate Development Authority has been formed in the Yemen Arab Republic to arrange for the construction, and subsequently to manage, an industrial estate in Sana'a. A contract valued at approximately £700,000 has been let to the Anam and Thabet Construction Company and completion of it, which is in the hands of Husband and Co, is due towards the end of 1976.

In 1974 Sir William Halcrow and Partners were appointed to select a site for a new international airport in Dubai. When the site, in Sharjah, was chosen, the practice was instructed to design and supervise the construction of a 3,760-metre runway, taxiways, cargo and passenger aprons and all ancillary facilities. The work on the terminal buildings began in 1975; these reflect the Islamic tradition of domed architecture and consist essentially of three large domed structures and one smaller one which are all supported on pillars ringed by semi-circular arches.

Architects

The Royal Institute of British Architects reports that British architects are working in many countries but that the Middle East accounts for the largest share of their work, especially Saudi Arabia where the first five-year plan established an economic background for development.

Robert Matthew, Johnson-Marshall and Partners are well advanced with the comprehensive physical planning of Saudi Arabia's western region. Six master plans have been completed, including those for the holy cities of Mecca and Medina.

Also in Saudi Arabia, Sir Leslie Martin and David Owers have designed a new summer headquarters for the Government at Taif. Abbey and Hanson Rowe and Partners have projects for a village for handicapped children in Riyadh and an administration and research building for the Grains and Silo Division of the Ministry of Commerce. A feasibility study for the reconstruction of the National Hospital for the General Organisation of Social Insurance is being carried out with Associated Design Consultants of Riyadh. A motor car showroom, office and apartment building is being designed at Al Khobar on the Gulf, to cost approximately £12 million. In conjunction with group partnership colleagues Hammett and Norton, the company is also doing work in Bangladesh on buildings varying from nursing colleges to village clinics connected with population control. Collaborating with local practices the company is also working on hospitals in Australia at Melbourne, Victoria and Port McQuarrie. Cusdin Burden and Howett's faculty of medicine at the University of Riyadh, due for completion in 1978, is being built in three phases. The first stage will be completed and handed over in two and a half years, the final stage in four and a half years with a contract value close to £50 million. The same practice has prepared a plan for the University of Hong Kong for the expansion of the student population from 3,000 to 9,000 by 1990.

The Architects Co-Partnership has led the design team in a consortium headed by engineering consultants Wallace Evans and Partners for the design and production information for eight standard types of hospital for the Saudi Arabian Ministry of Health. The practice is also working in Sudan on the Khartoum international fair project; in Nigeria, in conjunction with local practices, on a teacher training college and a psychiatric centre; and in St Lucia on a housing development.

The Owen Luder Partnership is working on projects in Saudi Arabia, including the Taif City Hall, Nigeria, Iran and the United States. Norman and Dawbarn are carrying out a wide variety of projects in Africa, including a television studio in north-west Nigeria, development work for Addis Ababa University in Ethiopia, major housing and amenities programmes for the East African Harbours and Railways, a university in Malawi, work on the World Bank education project in the Sudan, and a telephone exchange and hotel in Botswana.

Raglan Squire and Partners have been involved mainly in tropical countries. Projects completed or in hand include: hotels in Nicosia, Tunis, Tehran, Bahrain, Jakarta, Singapore, Kuching and Jamaica; hotel and commercial developments in Panama; a tourism master plan for the Emirate of Abu Dhabi and other projects in Malta, Cyprus, Singapore, Malaya, Holland and Bahrain.

Clifford Culpin and Partners' master plan for Ismailia City and region in Egypt has now been accepted and further studies to develop the plan are expected. W. H. Saunders and Son, in conjunction with local practices, have a considerable amount of work in Western Europe, including a shopping centre in The Hague. Piano and Rogers are now in the final stage of a five-year £48 million contract for the Pompidou culture and information centre in Paris. The practice has also completed projects in the United States, Japan, the Middle East and Nigeria.

Surveyors

The report of the Royal Institute of Chartered Surveyors concentrates on the three distinct fields of land surveying, quantity surveying and land management and development.

Land Surveying

British survey companies and their associates are undertaking a major share of the work of basic mapping and project mapping in developing countries, especially in Africa and the Middle East. Although most survey work must be done on location, much of the processing and map production is handled in Britain. Work is undertaken for Governments, development agencies, oil companies and individual project promoters, and includes aerial triangulation surveys and photography and mapping for town planning, road construction, hydro-electric schemes and many other engineering projects.

Quantity Surveying

Chartered quantity surveyors are involved extensively in construction programmes, mainly in the Middle East and Europe but also on a significant scale in Africa, the Far East, the Caribbean, and North and South America.

Apart from working on projects overseas with British architects and engineers, quantity surveyors also work on an increasing number of projects in developing countries which are handled by consortia based in the United States, Canada, Spain, France, Japan and other countries. This is because construction procedures in many developing countries are based on British practice, and those countries where the consortia are based, which have not yet developed an indigenous quantity surveying profession, find it convenient to use British quantity surveyors when working in developing countries. British quantity surveyors are also engaged as project managers.

Land Management and Development

There is an expanding demand for chartered surveyors' services in the field of land management and development, not only in Europe but also in Africa and the Middle East. Services required include land acquisition, project promotion and management, the investment of funds in the purchase or development of property, and consultancy on a variety of land management problems.

Average Earnings in 1976

Summary information on earnings and hours of work in Great Britain in April 1976, derived from the New Earnings Survey (NES) 1976 (see p 447), has been published in the October 1976 issue of the *Department of Employment Gazette* (HMSO, 90p, ISBN 0 11 724480 5). The NES is a sample survey, the data of which are obtained from employers under the Statistics of Trade Act 1947; the resulting information is strictly confidential and used only for statistical purposes.

The survey covers some 170,000 workers[1] representing a 1 per cent random sample of all tax-payers of all categories in all occupations, both manual and non-manual, in businesses of all kinds and sizes in all industries (those with earnings below the deduction card limits for tax purposes are mostly women with part-time jobs and young people; they include very few full-time adult workers). It relates to the pay week or other pay period which included 7 April 1976. The results are, therefore, not necessarily representative of pay over a longer period and do not take account of subsequent changes in rates of pay which have become effective since that date or changes which have been introduced with retrospective effect since the survey returns were completed.

[1] The estimated total numbers of full-time workers in April 1976 whose pay was not affected by absence, were 10·2 million men aged 21 and over and 4·7 million women aged 18 and over.

Manual Workers

The average gross weekly earnings of full-time men manual workers aged 21 and over were about £65·10; those of full-time women manual workers aged 18 and over were about £39·40. Half the men earned between £52 and £75 a week; 5 per cent earned over £100 and less than 1 per cent under £30. Earnings averaged nearly £1·45 an hour; about 8 per cent earned less than £1 an hour and 7 per cent more than £2 an hour. Half the women earned between £32 and £46 a week; 10 per cent earned over £54 and about 2 per cent under £20. For the first time, their earnings averaged slightly more than £1 an hour. About 1 per cent earned less than 50p an hour and 3 per cent over £1·50 an hour.

Average weekly hours (excluding main meal breaks) were the same as in April 1975; about 40 basic and about 5·5 overtime for men, and about 38·5 basic and about 1 overtime for women. Of the men, about 55 per cent received some overtime pay, about 38 per cent received payments-by-results and other such payments and about 23 per cent shift and other premium payments. For women, the corresponding figures were 14 per cent, 31 per cent and 11 per cent.

Non-manual Workers

The average gross weekly earnings of full-time men non-manual workers aged 21 and over were about £81·60; those of full-time women non-manual workers aged 18 and over were about £48·80. Half the men earned between £57 and £96 a week; about 5 per cent earned over £150 and 1 per cent under £30. Among the women, half earned between £35 and £57 a week; about 2·5 per cent earned more than £100 and less than 1 per cent under £20.

Average weekly hours for non-manual workers were about 37 basic and about 1·5 overtime for men, and about 36·25 basic and about 0·25 overtime for women (overtime hours were reported only if they resulted in additional pay). Relatively few non-manual workers received overtime pay, payments-by-results, bonus or commission, or shift and other premium payments.

Annual Increases

The survey allowed increases in average earnings between two successive Aprils to be measured by using either the complete samples or a matched[1] sample. Increases in weekly earnings between April 1975 and April 1976 for the complete and matched samples respectively were: for full-time men, 18·2 and 18·6 per cent for manual workers and 19·2 and 22·2 per cent for non-manual workers, and for full-time women, 23·1 and 23·6 per cent for manual workers and 23·6 and 26·3 per cent for non-manual workers. These figures exclude the effects of overtime, which varies in amount with cyclical movements in the economy; they are also lower than the corresponding increases between April 1974 and April 1975 but higher than

[1] A matched sample is formed of those individuals for whom returns were received in both the 1975 and 1976 surveys.

in the 12 months to April 1974. (See also pp 487-8, 1975.)

As in other recent years, the percentage increases were greater for women than for men – reflecting, in part, the completion of progress to equal pay (see pp 318, 381, 1975). The percentage increases in average earnings of non-manual workers were higher than those for manual workers; non-manual workers had relatively lower increases than manual workers in the two previous years.

Earnings by Age-group

The analyses of earnings by age-group showed that, among men, earnings for manual workers rose on average with age up to between 30 and 40 and then fell, while among non-manual workers average earnings rose up to between the ages of 40 and 50; also, below the age of 25, manual earnings were on average more than non-manual, though the non-manual average overtook the manual between the ages of 25 and 30. Average earnings for women were highest between 25 and 30 in manual occupations, but the variation between age groups was considerably less than among men. For women non-manual workers average earnings were £53 in each age group from 30 to 60.

Regional Earnings

Regional differences in average earnings are relatively small compared with differences between occupations and age-groups. Earnings in Greater London had a large influence on the figures for south-east England; and the figures for the south-east had a large influence on the national averages – for example, only in the south-east (or more particularly, in Greater London) were the average earnings of either men or women non-manual workers above the corresponding average for Great Britain. Among full-time men, average weekly earnings for manual workers ranged from £59·60 in south-west England to £68·20 in the north of England, and for non-manual workers from £74·40 in the east Midlands to £87·60 in south-east England; while overtime hours were lowest in the south-west and west Midlands and highest in Scotland. Among full-time women average weekly earnings for manual workers ranged from £37·70 in Yorkshire and Humberside to £41·60 in south-east England, and for non-manual workers from £45·10 in East Anglia to £52·40 in the south-east.

Offshore Oil and Gas

Some recent developments concerning offshore oil and gas, including the response to the Government's fifth round of offshore petroleum production licensing, increased estimates of the rate of production from British Petroleum's (BP's) Forties field and a summary of offshore progress in 1976, are outlined below.

OFFSHORE LICENSING

The Department of Energy announced on 5 October that it had received 53 applications involving 133 companies, acting individually or in groups, for a total of 50 of the 71 blocks or parts of blocks on offer under the fifth round of offshore licensing (see pp 255-6 and 370). The Secretary of State for Energy, Mr Anthony Wedgwood Benn, described the response as 'a most encouraging indication of world interest in Britain's offshore oil and gas resources' and said that, with the British National Oil Corporation as a 51 per cent partner in all new licences, the national interest would be both promoted and safeguarded. Mr Benn said that the response was also a clear indication of the confidence that existed in the Government's oil policy.

FORTIES FIELD

Improved production estimates for the Forties field were announced on 12 October by the Chairman of BP, Mr David Steel. An extensive programme of development drilling and monitoring of the performance of the oil reservoir had confirmed the company's estimate of reserves in the field of about 1,800 million barrels (240 million tonnes) and shown that oil could be extracted more quickly than originally thought. Peak production had been estimated at 20 million tonnes a year, but BP now expected to obtain in 1977 over 22 million tonnes of oil from the field, which would be equivalent to about one-quarter of Britain's oil consumption and represent a saving of over £1,000 million in foreign exchange, and eventually to achieve a maximum annual production of 25 million tonnes.

In a statement on the higher production estimates, Mr Benn noted that the successful development of the Forties field confirmed the size of the contribution that North Sea oil was making to the strengthening of the British economy.

OTHER DEVELOPMENTS

Recent progress in the North Sea was summarised by Dr John Cunningham, Parliamentary Under-Secretary of State, Department of Energy, on opening the World Offshore Exhibition and Conference in London on 4 October. Dr Cunningham said that oil was coming onstream in increasing quantities and that the five fields in operation (Argyll, Auk, Beryl, Forties and Montrose) were producing well over 1 million tonnes of oil a month. Britain was on target for net self-sufficiency by 1980. A further ten oil finds and one of gas condensate had been announced in the first nine months of 1976 and during this period the success ratio for drilling exploration wells had been one in three, compared with a world offshore average of one in 20.

Dr Cunningham described the decision by Conoco to start preparations for the development of the Murchison oilfield as 'an important and significant announcement'. It would bring the number of commercial oilfields to 15. He was confident that a number of similar announcements would be made in the coming months as the second stage of North Sea development began.

Dr Cunningham indicated that British industry was likely to increase its share of Britain's offshore supplies market in 1976 from the 52 per cent achieved in 1975 (see pp 290-1). Britain's offshore supplies industry was examining the developing opportunities worldwide and the Department of Energy, through its Offshore Supplies Office, was helping British companies to build on their success in the North Sea and to sell their newly gained expertise overseas. The most attractive areas with opportunities for the offshore supplies industry appeared to be the Middle East, south-east Asia, Brazil, the Soviet Union, Australasia and parts of the Far East, and Dr Cunningham said that British companies were making their presence felt in most of these areas.

Clean Air

Great Britain's clean air legislation, 20 years old this year and one of the country's great environmental success stories, was discussed by the Secretary of State for the Environment, Mr Peter Shore, in a speech in the City of London on 4 October.

Speaking at a luncheon to mark the twenty-first anniversary of the whole of the City as a smokeless zone,[1] Mr Shore referred to the immense benefits, aesthetic and physical, which the clean air policies had brought to the people of the capital. Smoke control orders now covered over 90 per cent of Greater London, with the result that December sunshine was 70 per cent greater than it was 20 years ago, while visibility on an average winter day had more than doubled.

The success in London had been repeated in many other great centres of commerce and industry. Sheffield, Mr Shore mentioned, had had a widespread and outstandingly successful programme: in parts of the city there had been a decrease of about 90 per cent in average smoke concentrations, and the industrial centre was today establishing itself as a conference and tourist centre. In Salford too there had been great improvements in air quality since smoke control was introduced in 1960, with average smoke concentrations again reduced by around 90 per cent.

Background

Responsibility for clean air in towns and cities in Great Britain rests with local authorities who may, under the provisions of the Clean Air Acts 1956 and 1968, declare 'smoke control areas' within which the emission of smoke from chimneys constitutes an offence. The operation of the legislation has meant a variety of approaches throughout the country and varying rates of progress, but over half the premises in the main population centres are now covered by smoke control orders.

The central Government is responsible, through the Alkali and Clean Air Inspectorate of the Health and Safety Executive (the Industrial Pollution Inspectorate in Scotland), for controlling certain industrial processes which give rise to particularly dangerous or offensive emissions or which are technically difficult to control.

The Clean Air Council, set up in 1956, and a similar council for Scotland review the progress made in abating air pollution in Great Britain.

Emissions from motor vehicles are controlled by separate regulations.

The Future

Despite examples such as London, Sheffield and Salford, there are still many places in Britain where extension of smoke control could, in Mr Shore's view, bring substantial improvements in air quality. The minister noted that the Royal Commission on Environmental Pollution had stated in a recent report on air pollution (see pp 83-5) that, in a difficult economic climate and in a world of scarcity of resources, pollution control could not be an absolute good to be pursued at all costs. Government, whether local or central, always had to choose, he continued, between competing and desirable objectives; decisions reflected a balance of social and economic costs and benefits; and environmental considerations had to be weighed against economic and technological factors. None the less, Mr Shore reminded his audience, the smoke control programme had in the past 20 years proved itself as a worthwhile and economical way of achieving great environmental and social benefits.

Turning to the effect on British pollution control policies of European Community membership, Mr Shore noted that several draft directives on air pollution control were either foreshadowed or already under consideration in Brussels. The Community approach had generally tended more towards the setting of defined levels of air quality than in Britain, but the Government would consider the proposals with great care.

[1] The City has a long history of activity to control smoke emissions. The designation of the smokeless zone preceded the first Clean Air Act by a year.

SOCIAL AND CULTURAL AFFAIRS

Education Policy

PRIME MINISTER'S SPEECH

A major speech on education was given by the Prime Minister, Mr James Callaghan, on 18 October. Speaking at a ceremony to lay the foundation stone for an extension to Ruskin College, Oxford, Mr Callaghan discussed both the broad aims of the education system and some of the areas where he believed public debate would be useful. Public interest in education, he thought, was strong and legitimate. 'We spend £6 billion a year on education, so there will be discussion.' Parents, teachers, learned and professional bodies, representatives of higher education and both sides of industry, together with the Government, he said, all had an important part to play in formulating and expressing the purpose and standards of education.

Aims

The goals of education, stated Mr Callaghan, from nursery school through to adult education, were clear enough. They were to equip children to the best of their ability for a lively, constructive place in society and also to fit them to do a job of work. Both these aims, he said, required the same essential tools: basic literacy, basic numeracy, the understanding of how to live and work together, respect for others and respect for the individual. This meant acquiring certain basic knowledge, skills and reasoning ability. It meant developing lively, inquiring minds and an appetite for further knowledge that would last a lifetime. It also meant mitigating as far as possible the disadvantages that might be suffered through poor home conditions, or physical or mental handicap.

Mr Callaghan said that he had been very impressed by the enthusiasm and dedication of the teaching profession in the schools he had visited, by the variety of courses offered in comprehensive schools, and by the alertness and keenness of many pupils. Life at school was far more full and creative than it had been years ago. Nevertheless, he continued, higher standards were demanded today than were required yesterday, and there were fewer jobs for those without skill. There had been a massive injection of resources into education, mainly to meet increased numbers and partly to raise standards. In present circumstances, however, there could be little expectation of further increased resources being made available. This, he said, presented a challenge to examine educational priorities and secure as high efficiency as possible by the skilful use of existing resources.

Areas for Discussion

Outlining some of the areas of education which he thought needed study, Mr Callaghan said that he was concerned to find complaints from industry that school-leavers sometimes did not have the basic knowledge to do a job. He was also concerned that many students who had completed higher education had no desire to join industry. There seemed to be a need, he said, for a more technological bias in science teaching that would lead towards practical applications in industry rather than towards academic studies. Why was it, he asked, that such a high proportion of girls abandoned science before leaving school? Was there not a case for a professional review of the mathematics needed at different levels of industry? Why was it that 30,000 vacancies for students in science and technology at universities and polytechnics had not been taken up last year, whereas the humanities courses were full?

Another aspect of education to which the Prime Minister referred was the unease felt by parents and others about new informal methods of teaching. These methods seemed to produce excellent results, he said, when they were in well-qualified hands, but were more dubious when they were not. There was also the problem of the examination system. The Schools Council had reached conclusions for future changes (see pp 422 and 498, 1975) but it would not be right to introduce them, he thought, until there had been further public discussion.

These, Mr Callaghan stressed, were proper subjects for discussion and debate. He had outlined concerns and asked questions about them. It was not his intention to become enmeshed in problems such as whether there should be a basic curriculum with universal standards – though he was inclined to think that there should be – nor in other issues such as the role of Her Majesty's Inspectors of schools. The new Secretary of State for Education and Science, Mrs Shirley Williams, was well qualified, he said, to take care of these issues and to speak for the Government.

In his concluding remarks, the Prime Minister indicated that the report of a committee set up to examine the government and management of schools in England and Wales was expected soon (see p 76, 1975). This could bring together more closely local authorities, parents, pupils, teachers

and industry. Mrs Williams, he said, was examining means of attracting talented young people into engineering and science subjects, and finding out whether there were more efficient ways of using resources for the benefit of 16- to 19-year-olds. She also intended to look at the examination system again, especially in relation to less academic students staying at school beyond the age of 16.

SECRETARY OF STATE'S SPEECH

Speaking in Rotherham on 22 October Mrs Shirley Williams, Secretary of State for Education and Science, referred to the Prime Minister's speech and said that there would be consultations to consider how to further the present discussion on the school curriculum, but that there would be no national control.

Education in England had undergone tremendous changes in the last 20 years, she explained. New methods of teaching were increasingly used, especially in modern languages, mathematics and science. Informal, child-centred teaching was commonly found in primary schools, and secondary education had been extensively reorganised along comprehensive lines. Some 14 per cent of the post-school age group now entered full-time higher education [mainly at universities and polytechnics] compared with 9 per cent in 1965, and 34 per cent received some other form of post-school education compared with 20 per cent in 1965.

In this great flux there were many critics of the schools and of educational institutions generally. Some of the criticisms, Mrs Williams considered, were ill-based but others deserved a hearing because they reflected genuine concern.

The Curriculum

Among the splendours of the English educational system, said Mrs Williams, were its flexibility, its imagination and the freedom of the teacher in the classroom. No-one wished to jeopardise this. One of the factors which made flexibility and freedom possible was Her Majesty's Inspectorate undertaking its traditional job of inspecting schools and monitoring standards. Nevertheless, the curriculum was a matter in which many people had an interest, and it was necessary to produce the most satisfactory curricula possible. In the next four months the Secretary of State intended to consult teachers' organisations, industry, and representatives of further and higher education in order to further the present discussion on the curriculum and on basic skills. After this consultation, she hoped to be able to present her department's proposals early in 1977, and to discuss these at regional meetings before taking any action.

Examinations

Examinations, said the Secretary of State, were very closely linked with changes in the school curriculum and were crucial in maintaining educational standards. The purposes and effects of examinations gave rise to a lot of argument. She was looking at two proposals put forward by the Schools Council: one to replace the General Certificate of Education 'O' level and Certificate of Secondary Education examinations by a common system of examination for 16-year-olds; and the other to introduce a new examination, the Certificate of Extended Education (CEE), for 17-year-olds (see pp 422 and 498, 1975). The Prime Minister had made it clear, Mrs Williams recalled, that such important changes could not be rushed, but there was no question of the Government's simply shelving the recommendations.

On 26 October Mrs Williams announced in Parliament that she had asked for the co-operation of the Schools Council in a further period of study on the proposal for a common system of examining, and that consultations with other interests – including employers, trade unions and further education – would be needed before a decision could be taken on the CEE (*Hansard*, written answers, cols 102-7).

DOCUMENTATION

(Documentation excludes publications referred to in Survey articles)

Government and Administration

Local Government. COI, FSB/B3.

Her Majesty's Inspector of Fire Services for Scotland. Report for 1975. Scottish Home and Health Department. Cmnd 6570. HMSO, 45p. ISBN 0 10 165700 5.

Social and Economic Trends in Northern Ireland. No 2, 1976. HMSO Belfast, £2. ISBN 0 337 23197 4.

External Affairs and Defence

Rhodesia. COI, Factel No 668.

Decision of the Council of the European Communities with annexed Act concerning the Election of the Representatives of the Assembly by Direct Universal Suffrage (see p 383). Cmnd 6623. HMSO, 22p. ISBN 0 10 166230 0.

Exchange of Notes between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of America amending the Agreement of 30 December 1966 concerning the availability for Defence Purposes of the British Indian Ocean Territory. Cmnd 6610. HMSO, 12p. ISBN 0 10 166100 2.

Exchange of Notes between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Mauritius terminating the Agreement on Mutual Defence and Assistance signed at Port Louis on 12 March 1968. Cmnd 6550. HMSO, 12p. ISBN 0 10 165500 2.

Consular Convention between the United Kingdom of Great Britain and Northern Ireland and the Mongolian People's Republic. Cmnd 6639. HMSO, 50p. ISBN 0 10 166390 0.

Economic and Scientific Affairs

Financial Institutions. The Government has decided to set up a committee under the chairmanship of Sir Harold Wilson to review the role and functioning, at home and abroad, of financial institutions in Britain and their value to the economy; to review in particular the provision of funds for industry and trade; to consider what changes are required in the existing arrangements for the supervision of these institutions, including the possible extension of the public sector; and to make recommendations. Prime Minister's Office press notice, 7.10.76.

Export Credit Guarantees. The Export Credits Guarantee Department (ECGD) has announced an improvement in guarantees given to banks providing finance for exporters trading on open account terms. With effect from 1 November, the finance exporters may draw under their ECGD guarantee is to be increased from 90 to 100 per cent of the net invoice value. ECGD press notice, 21.10.76.

Employers' Organisations. COI, FSB/C16.

Industrial Relations. COI, FSB/C11.

Employment Protection Act 1975 (see p 229). The Secretary of State for Employment, Mr Albert Booth, told the House of Commons that the provisions in the Act relating to the extension to all employees of rights to terms and conditions of employment comparable to the general level in the same trade or industry in the district would be brought into effect on 1 January 1977, and those relating to guarantee payments, the removal of the grade, class and financing disqualification from unemployment benefit and the reduction in part-time qualifying hours on 1 February 1977. The provisions on disclosure of information to trade unions for collective bargaining purposes and on time off work for trade union duties and activities, whose implementation was dependent on codes of practice to be produced by the Advisory, Conciliation and Arbitration Service and approved by Parliament, would be introduced with the minimum possible delay once the codes had been finalised and approved. Consultative drafts of both codes had now been published. *Hansard,* 13.10.76, written answers, cols 143-4.

Careers Service Advisory Council (CSAC). The first meeting of the CSAC, which has been set up under the Employment and Training Act 1973 to succeed the former National Youth Employment Council (see p 82, 1975), took place on 20 October. The council, whose chairman is Mr John Golding, Parliamentary Under-Secretary of State for Employ-

ment, includes representatives of both sides of industry, local authorities, teachers and careers officers. Department of Employment press notice, 20.10.76.

Mixed Gas Diving: A TSA Training Standard (see also pp 420, 495, 1975). Training Services Agency. HMSO, £1·50. ISBN 0 950401 13 7.

Airborne Dust in Quarries – Health Precautions. Guidance Note from the Health and Safety Executive. HMSO, 50p. ISBN 0 11 880500 2.

Lead – Health Precautions. Guidance Note from the Health and Safety Executive. Available free from the General Enquiry Point, Health and Safety Executive, Baynards House, 1 Chepstow Place, London W2 4TF.

New Earnings Survey 1976. Part B. Analyses by Agreement, Department of Employment. As in 1975, publication of the survey will appear in six separate parts, of which this is the first to be issued. HMSO, £1·50. ISBN 0 11 723802 3.

Royal Commission on the Distribution of Income and Wealth. Selected Evidence submitted to the Royal Commission for Report No 3: *Higher Incomes from Employment* (see pp 77-81). HMSO, £5·10. ISBN 0 11 730072 1.

Price Commission. Report for the period 1 June to 31 August 1976. The report says that at present it is difficult to see any early or very substantial reduction in the rate of inflation which, after a big fall in the second half of 1975, has settled since the beginning of 1976 at about 13 per cent a year. However, the lower level of pay settlements and the rise in output should restrain the rise in both costs and prices (see p 342) against the burden of the fall in the value of the pound (see p 393) and the full effect of the rise in commodity prices which took place in the spring and summer of 1976. The report says that during the second quarter of 1976 there was a further and significant improvement in profit margins of companies in both manufacturing and service industries. HMSO, £1·20. ISBN 0 10 264176 5.

Britain's Counter-inflation Policy. COI, SN5955.

Fair Trading and Consumer Protection in Britain. COI, R6011.

Review of the Trade Descriptions Act 1968 – Report by the Director General of Fair Trading. The report contains a detailed study of the working of the Act, which was found to be generally effective, and makes recommendations on strengthening such aspects as price indications and misdescriptions of services, accommodation and facilities. The Minister of State for Prices and Consumer Protection, Mr John Fraser, told the House of Commons [*Hansard,* 21.10.76, written answers, cols 543-4) that the Government would carefully consider the report's recommendations and announce in due course its intentions regarding their implementation. Cmnd 6628. HMSO, £1·35. ISBN 0 10 166280 7.

Restrictive Trading Agreements in Service Industries. The first batch of agreements by the Office of Fair Trading was made available for public inspection on 27 October. The 102 agreements cover a range of industries including transport, travel, the distributive trades, finance, estate agents, advertising, sport and entertainment. Press notice 40/76. Office of Fair Trading, Field House, Breams Buildings, London EC4A 1PR.

Monopolies and Mergers Commission. A report on the existing and proposed mergers of Eurocanadian Shipholdings Ltd and Furness, Withy and Company Ltd and Manchester Liners Ltd. The commission concluded that the existing and proposed mergers were contrary to the public interest. The Minister of State for Prices and Consumer Protection, Mr John Fraser, announced the conclusions of the report in answer to a parliamentary question on 14 October [*Hansard,* written answers, cols 194-5]. He said that in the light of the findings the Secretary of State was asking the Director General of Fair Trading to discuss the implementation of the Commission's recommendations with Eurocanadian Shipholdings. House of Commons Paper 639. HMSO, £1·80. ISBN 0 10 263976 0.

Design Council and the Scottish Committee of the Council. Thirty-first Annual Report 1975/76. Available from the Design Council, The Design Centre, 28 Haymarket, London SW1Y 4SU. 50p. ISBN 0 85072 047 8.

Increase in Engineering Students. In 1976 there are 36 per cent more students at universities and other institutions starting civil, mechanical and electrical engineering courses than there were in 1973 (during the same period the entry into mathematics, physics and chemistry dropped by 4 per cent). Statistical Supplement to the *Report of the Universities Central Council on Admissions.*

A study of the Evolution of Concentration in the Mechanical Engineering Sector for the United Kingdom. Published by the Commission of the European Communities, £4·25. ISBN 0 11 935897 2.

Glass. COI, FSI/37.

Regional Development in Britain. COI, R5804.

Strategy for the South East: 1976 Review. This review, commissioned by the Department of the Environment, the South East Economic Planning Council and the Standing Conference on London and South East Regional Planning, and carried out by staff from the Department of the Environment and local authorities, updates, and in some ways revises, the *Strategic Plan for the South East,* published six years ago (see pp 715-17, 1970). It urges action to deal with the housing, employment, transport and environmental problems of London to help reduce the flow of jobs and people from the capital. By contrast, it anticipates that tighter controls will be needed on development in the

rest of the South East where pressure is expected to arise from an increase in the number of households. A Government response to the review is expected in 1977. HMSO, £2. ISBN 0 11 751063 7.

South East England. A leaflet summarising the *Strategy for the South East: 1976 Review* (see above). Available free from the Department of the Environment, Room 635, Church House, Great Smith Street, London SW1P 3BL.

British Tourist Authority. Report for the year ended March 1976. Record numbers of visitors and foreign earnings from tourism are announced. British Tourist Authority, Queen's House, 64 St. James's Street, London SW1A 1NF. 70p. ISBN 0 85630 376 3.

Hotel Prospects to 1985 – Research Findings. Hotel and Catering Economic Development Committee. The full version of this report following the summary published earlier in the year (see p 343). Available from Neddy Books, 1 Steel House, 11 Tothill Street, London SW1H 9LJ. £5. ISBN 0 7292 0016 7.

Agriculture EDC. Interim Report to NEDC, October 1976. This report by the Agricultural Economic Development Committee to the National Economic Development Council describes the current state of British agriculture, opportunities for increasing its growth rate, and measures needed to help the industry with its problems. National Economic Development Office. Available free from Neddy Books, 1 Steel House, 11 Tothill Street, London SW1H 9LJ. ISBN 0 7292 0168 6.

Nuclear Energy. The Secretary of State for Energy announced on 22 October that he had accepted a proposal of the National Nuclear Corporation (see p 172, 1975) that the Nuclear Power Company should carry out an assessment of three nuclear reactor systems: the Steam Generating Heavy Water Reactor (SGHWR), which the Government was currently reviewing, the Advanced Gas-cooled Reactor (AGR) and the Pressurised Water Reactor (PWR). *Hansard*, written answers, cols 562-3.

The Drought: Acute Phase Over. The Minister with special responsibilities for the co-ordination of water resources, Mr Denis Howell, stated on 12 October that the heavy rain of the previous six weeks had brought some relief from the effects of the drought. The acute phase was over and the threat of water rationing had been averted, but continued economy in water use would be needed to build up underground water supplies to safe levels in some areas. Department of the Environment press notice No 887, 12.10.76.

London Transport and Traffic. COI, FSB/E3.

The Post Office's Letter Post Services. Observations by the Secretary of State for Industry, the Chancellor of the Exchequer, the Secretary of State for Prices and Consumer Protection and the Post Office on the Second Report from the Select Committee on Nationalised Industries, session 1975-76. Cmnd 6629. HMSO, 22p. ISBN 0 10 166290 4.

International Activities in Science and Technology. Register of organisations of interest to the Commonwealth. The register lists over 200 organisations, national and international, inter-governmental (including UN bodies) and non-governmental, regional and global, and contains a comprehensive subject and function index. It serves a major aim of the Commonwealth Science Council and the Commonwealth Secretariat – to facilitate the flow of information to member countries. Commonwealth Secretariat Publications, Marlborough House, Pall Mall, London SW1Y 5HX. £2. ISBN 0 85092 119 8.

A Survey of Learned Societies. The Royal Society and the British Academy Joint Committee on Learned Societies. Three hundred and fifteen learned societies were asked to complete a questionnaire. Of the 228 which answered 171 are registered as charities. The report concludes that problems encountered required additional Government assistance. Royal Society press release, 26.10.76. Obtainable from the Royal Society, Carlton House Terrace, London SW1Y 5AG.

National Research Development Corporation. Twenty-seventh annual report and accounts 1975-76. Available from NRDC, Kingsgate House, 66-74 Victoria Street, London SW1E 6SL.

Science Research Council. Annual report 1975-76. HMSO, £1·75. ISBN 0 10 263576 5.

Institute of Geological Sciences. Annual report for 1975. Available from HMSO, £3·60. ISBN 0 85272 057 2.

Medical Research Council. Annual report 1975-76. HMSO, £2·75. ISBN 0 10 256776 X.

The Measurement of Scientific and Technical Activities. Proposed Standard Practices for Surveys of Research and Experimental Development ('Frascati Manual'). HMSO, £2·70. ISBN 92 64 11548 X.

Pollution of Water by Tipped Refuse. Report of the Technical Committee on the Experimental Disposal of House Refuse in Wet and Dry Pits. 1961, reprinted 1974. HMSO, £1·15. ISBN 0 11 750279 0.

Barcelona Convention. The European Community signed on 13 September 1976 in Madrid the Barcelona Convention for the protection of the Mediterranean against pollution. The convention represents an attempt by Mediterranean states to reduce pollution in the Mediterranean and to limit dumping by ships and aircraft as well as combating pollution by oil and other harmful substances. The Community has yet to ratify the convention. Source: European Community Information No 57, October 1976.

The British Phosphate Commissioners. Report and accounts for the year ended 30 June 1974. Cmnd 6644. HMSO, 20p. ISBN 0 10 166440 0.

Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Arab Republic of Egypt for the Promotion and Protection of Investments. Cmnd 6638. HMSO, 20p. ISBN 0 10 166380 3.

Social and Cultural Affairs

Council of Europe: European Commission on Human Rights. Application No 5310/71. Ireland against the United Kingdom of Great Britain and Northern Ireland. Report of the Commission (see p 378). Available from HMSO, £6·50. ISBN 0 11 982374 8.

The Feasibility of an Experiment in the Tape-recording of Police Interrogations. Report of a committee appointed by the Home Secretary. Cmnd 6630. HMSO 50p. ISBN 0 10 166300 5.

Police Cautioning in England and Wales by J. A. Ditchfield. Home Office Research Study No 37. Studies the increased use by the police of their power to caution juvenile and adult offenders instead of sending them to court. HMSO, 65p. ISBN 0 11 340677 0.

Judicial Statistics. Annual Report 1975. Relating to the Judicial Committee of the Privy Council, the House of Lords, the Supreme Court of Judicature, the Crown Court, County Courts and other civil courts. Cmnd 6634. HMSO, £2.ISBN 0 10 166340 4.

Family Law. Report on Matrimonial Proceedings in Magistrates' Courts. The Law Commission. HMSO, £4·20. ISBN 0 10 263776 8.

Legal Aid Handbook 1976. Prepared by the Lord Chancellor's Office and The Law Society. HMSO, £3·90. ISBN 0 11 390575 0.

Royal Commission on the National Health Service. The task of the commission: a guide for those who wish to submit evidence. HMSO, 32p. ISBN 0 11 730103 5.

National Health Service. Annual Report of the Hospital Advisory Service to the Secretary of State for Social Services and Secretary of State for Wales for the Year 1975. HMSO, 95p. ISBN 0 11 320222 9.

Scottish Health Service Planning Council. Report for 1975. Scottish Home and Health Department. HMSO Edinburgh, 45p. ISBN 0 11 491419 2.

Report of the Joint Working Group on Oral Contraceptives. The report recommends that oral contraceptives should continue to be available on prescription only. Under the present system they are obtainable only through family doctor services. The report says that oral contraceptives should be made more easily available by allowing certain other suitably qualified and trained people to prescribe, advised where necessary by family doctors. The aim of the proposal would be to assist women inhibited from obtaining oral contraceptives through their family doctor. Department of Health and Social Security. HMSO, 65p. ISBN 0 11 320238 5.

Schools Council Report 1975-76. Published by Evans/Methuen Educational, £1·50. ISBN 0 423 50360 X.

Committee of Vice Chancellors and Principals of the Universities of the United Kingdom. Report on the period 1972-76. Free on request from the committee, 29 Tavistock Square, London WC1H 9EZ.

The Consortia. Co-operation in Educational Building. Department of Education and Science Building Bulletin 54. HMSO, 75p. ISBN 0 11 270352 6.

Housing Return for Scotland. Scottish Development Department. HMSO Edinburgh, 37p. ISBN 0 11 491424 9.

New Towns.

Report of the Commission for the New Towns for the period ended 31 March 1976 (Crawley, Hatfield Hemel Hempstead, Welwyn Garden City). HMSO, 95p. ISBN 0 10 262976 5.

Reports of the Development Corporations for the period ended 31 March 1976 (Aycliffe, Basildon, Bracknell, Central Lancashire New Town, Corby, Harlow, Milton Keynes, Northampton, Peterborough, Peterloo, Redditch, Runcorn, Skelmersdale, Stevenage, Telford, Warrington, Washington). HMSO, £6·70. ISBN 0 10 263076 3.

Reports of the Welsh Development Corporations for the year ended 31 March 1976 (Cwmbran, Newtown (Mid-Wales)). HMSO, 85p. ISBN 0 10 263376 2.

Reports of the Scottish Development Corporations for the year ended 31 March 1976 (Cumbernauld, East Kilbride and Stonehouse, Glenrothes, Irvine, Livingston). HMSO, £3·10. ISBN 0 10 256176 1.

Historic Buildings Council for Wales. Twenty-third annual report 1975-76. HMSO, Cardiff, 35p. ISBN 0 10 263476 9.

Independent Broadcasting Authority: Annual Report and Accounts 1975-76. IBA, 70 Brompton Road, London SW3 1EY, £1·50. ISBN 0 900485 23 X.

Museums and Art Galleries in Britain. COI, SN6015.

The Victoria and Albert Museum. COI, SN5895.

The Arts Council of Great Britain. Thirty-first Annual Report and Accounts 1975-76. Available from the Publications Office, The Arts Council of Great Britain, 105 Piccadilly, London W1V 0AU, £1. ISBN 0 7287 0112 X.

Export of Works of Art 1974-75. Twenty-first Report of the Reviewing Committee Appointed by the Chancellor of the Exchequer in December

1952. In the period under review, 22 objects were referred to the committee because export advisers had recommended that export licences should be withheld on grounds of national importance. Of these objects, seven were bought by museums and galleries in the United Kingdom, three were kept in the country by private owners, four were eventually allowed to be exported and eight were not considered to be of national importance. The report welcomes the increase from £1·5 million to £3·4 million in the annual purchase grants given by the Government to the national collections. Cmnd 6624. HMSO, 55p. ISBN 0 10 166240 8.

Cinematograph Films Council. Annual report for the year ended 31 March 1976. HMSO, 20p. ISBN 0 10 263876 4.

National Film Finance Corporation. Annual report for the year ended 31 March 1976. Cmnd 6633. HMSO, 30p. ISBN 0 10 166330 7.

Cultural Convention between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Finland. Cmnd 6627. HMSO, 20p. ISBN 0 10 166270 X.

INDEX

July-November 1976

Agriculture, 402
Angola: execution of mercenaries, 322

Britain's trade within the European Community, 288
By-election result, 271

Canada, Prime Minister's visit to, 387
Children, 409
Civil aviation, 363
Clean air, 443
Coffee, international agreement, 400
Colombo Plan's twenty-fifth anniversary, 323
Commonwealth Development Finance Company, 358
Commonwealth Finance Ministers' meeting, 399
Construction overseas, British, 437
Counter-inflation policy 1976-77, 282

Deposit-taking institutions, 356
Devolution to Scotland and Wales, 351
Drought: Government measures, 359

Earnings, average, in 1976, 441
Economic summit, 284
Economy, 325, 390, 426
Education
  developments, 339
  policy, 444
  postgraduate, 367
Energy, 293, 361
  conservation, 337
  nuclear, 404
European Community, 274, 288, 314, 383, 421

Financial aid to political parties, 352
Fisheries, 402
French President, state visit, 273

Genetic manipulation, control of, 365

Hazards, Advisory Committee on Major, 405
Health service finance, 410
High speed train, 407

International Monetary Fund, 428
  British statement at the IMF, 393
Industry
  Government and, 354
  Government assistance, 284
  industrial and regional development, 400
  industrial strategy, Government's, 329

Inner cities and new towns, 411
Investment, overseas direct, 331
Invisible trade, trends in, 434

Legislation, recent, 271, 379

Middle East, 318
Ministerial appointments, 375
Multinational enterprises, guidelines for, 291

National Enterprise Board, 356
National income and expenditure, 395
North America, Royal visit to, 313
North Atlantic Treaty Organisation, 277
Northern Ireland, 308, 376
Nuclear energy, 404

Offshore
  oil and gas, 442
  supplies, 290

Parliament, 307, 419
Pension schemes, occupational, 367
Ports, 295
Post Office, 364
Price Code changes, 330
Probation and after-care, 368
Public life, conduct in, 310

Rhodesia, 386
Royal visit to North America, 313

Securities market supervision, 434
Seychelles, 280
Shorter notes, 281, 324, 388, 424
Social contract, renewal of, 328
Steel industry, 334
Supplementary benefit, 408

Transkei, The, 424

Uganda, 321
UNCTAD IV, 285
Unemployment, youth, 333
UN General Assembly, 381
UN Habitat Conference, 297

World Bank Group, 432

© Crown copyright 1976

Printed in England by Richard Madley Ltd
and published by
HER MAJESTY'S STATIONERY OFFICE
50p net

Annual subscription including
indices and postage £7·72

G5469 Dd. 084525 1,125 NOVEMBER/76 1976
ISBN 0 11 724106 7 Vol. 6 No. 11